

**BYLAWS**  
**TABLE OF CONTENTS**  
**RESTATED BYLAWS OF**  
**SCENIC RIVERS ENERGY COOPERATIVE**  
**April 12, 2011**

**ARTICLE I**  
**AIMS OF THE COOPERATIVE**

Article I.....

**ARTICLE II**  
**MEMBERSHIP**

Section 1. Requirements for Membership.....  
Section 2. Membership Certificate or Card.....  
Section 3. Joint Membership.....  
Section 4. Conversion of Membership.....  
Section 5. Purchase of Electric Energy.....  
Section 6. Transfer or Termination of Membership.....  
Section 7. Non-Liability for Debts of the Cooperative.....  
Section 8. Property Interest of Members.....

**ARTICLE III**  
**SERVICE PRINCIPLES**

Section 1. Area Coverage Service.....  
Section 2. Service Area Maps.....  
Section 3. Extension and Service Rules.....  
Section 4. Service to Non-Member Patrons.....  
Section 5. Assumption of Public Utility Obligations.....

**ARTICLE IV**  
**MEETING OF MEMBERS**

Section 1. Annual Meeting.....  
Section 2. Special Meetings.....

Section 3. Notice of Member Meetings .....  
Section 4. Quorum.....  
Section 5. Voting .....  
Section 6. Voting by Absentee Signed Ballot.....  
Section 7. Order of Business .....

**ARTICLE V  
DIRECTORS**

Section 1. Number and General Powers.....  
Section 2. Director District, Tenure and Qualifications .....  
Section 3. Nominations and Election .....  
Section 4. Vacancies.....  
Section 5. Compensation.....  
Section 6. Policies, Rules and Regulations .....  
Section 7. Accounting System and Reports .....  
Section 8. Removal of Director by Members.....  
Section 9. Reprimand of a Director.....

**ARTICLE VI  
MEETING OF DIRECTORS**

Section 1. Regular Meetings .....  
Section 2. Special Meetings .....  
Section 3. Notice.....  
Section 4. Quorum.....  
Section 5. Meetings Conducted through the use of Communication  
Technology .....  
Section 6. Notice of Meeting to be Conducted through use of  
Communication Technology .....

**ARTICLE VII  
OFFICERS**

Section 1. Number .....  
Section 2. Election and Term of Office.....  
Section 3. Removal of Officers and Agents by the Board.....

Section 4. Chairman .....  
 Section 5. Vice Chairman.....  
 Section 6. Secretary .....  
 Section 7. Treasurer.....  
 Section 8. Chief Executive Officer.....  
 Section 9. Bonds of Officers .....  
 Section 10. Reports.....

**ARTICLE VIII  
 FINANCIAL TRANSACTIONS**

Section 1. Contracts.....  
 Section 2. Checks and Drafts .....  
 Section 3. Deposits and Investments.....  
 Section 4. Fiscal Year.....

**ARTICLE IX  
 NON-PROFIT OPERATION**

Section 1. Interest or Dividends on Capital Prohibited .....  
 Section 2. Patronage Capital in Connection with Furnishing  
       Electric Energy .....  
 Section 3. Patronage Refunds in Connection with Furnishing  
       Other Service .....  
 Section 4. Classification of Business .....  
 Section 5. Retirement of Patronage Capital on Dissolution or  
       Liquidation or Prior Thereto on Revolving Basis.....  
 Section 6. Assignment of Patronage Capital.....  
 Section 7. Prior Retirement of Estates of Deceased Patrons .....  
 Section 8. Prior Retirement or Purchase in the Event of Exchange  
       or Acquisition of Utility Properties.....  
 Section 9. Security Interest in Patronage Capital.....  
 Section 10. Assignment for Education Charitable Purposes .....  
 Section 11. Forfeiture of Unclaimed Funds .....  
 Section 12. Subscription to *Wisconsin Energy Cooperative News* .....  
 Section 13. Dispute Resolution .....

**ARTICLE X**

**DISPOSITION OF PROPERTY**

Article X .....

**ARTICLE XI  
INDEMNIFICATION OF OFFICERS  
DIRECTORS AND EMPLOYEES**

Article XI .....

**ARTICLE XII  
MISCELLANEOUS**

Section 1. Waiver of Notice .....  
Section 2. Membership in Other Organizations .....  
Section 3. Seal .....

**ARTICLE XIII  
AMENDMENTS**

Article XIII .....

**STATEMENT OF NON-DISCRIMINATION.....**

**RESTATED BYLAWS OF  
SCENIC RIVERS ENERGY COOPERATIVE**

**APRIL 12, 2011**

**ARTICLE I**

The aims of the Cooperative are threefold:

- (a) To make adequate and dependable electric service, and such other goods and services as may be authorized by the board of directors or the provision of Chapter 185, Wisconsin Statutes, (hereinafter referred to as, “services”) available to all members and to all unserved persons or entities within its service area desiring to become members or patrons;
- (b) To render such service without discrimination on a cooperative basis at the lowest cost consistent with sound economy and good management; and
- (c) To fulfill its obligations as a responsible business citizen in furthering the general welfare of the citizens of the communities in which it operates.

**ARTICLE II  
MEMBERSHIP**

**Section 1. Requirements for Membership**

Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Scenic Rivers Energy Cooperative after they have:

- (a) Made a written application for membership;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreed to comply with and be bound by the Articles of Incorporation and bylaws of the cooperative and any policies, rules and regulations adopted by the board of directors;
- (d) Paid any meter deposit, guarantee or connection fee which may be required by policies, rules or regulations applicable to the class of service requested; and

- (e) Been accepted for membership by the board of directors or the board's designee.

Any person who requests service from the Cooperative subject to the conditions applicable to all patrons of the same class of service, upon acceptance for membership, shall have the same rights and privileges as each other member of such class. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws. Two or more persons may hold a membership as tenants in common or as joint tenants with right of survivorship in accordance with the terms of their application, these bylaws, and any rules of the board of directors applicable thereto.

## **Section 2. Membership Certificate**

Membership in the Cooperative shall be evidenced by a membership certificate or card, in such form as the board of directors shall from time-to-time designate.

## **Section 3. Joint Membership**

- (a) Any application for membership in the Cooperative received after March 27, 1990, from any person who is married shall be deemed and become an application for membership by husband and wife as joint tenant members with right of survivorship unless the person making such application otherwise designates in writing.
- (b) With respect to memberships issued prior to March 27, 1990, the membership of any person who on March 27, 1990, was married, or who thereafter while a member became married, shall be deemed to have become, and did become at such time, a membership in husband and wife as joint tenant members with right of survivorship without further action by such member, unless within 30 days after March 27, 1990, or 30 days after the date of marriage, whichever date is later, the person to whom such membership was issued otherwise designated in writing.
- (c) The term "member" as used in these bylaws shall be deemed to include all joint tenants holding a joint membership, whether or not they are husband and wife, and all tenants in common in a common membership, and any provisions relating to the rights and liabilities of

membership shall apply equally with respect to the holders of a joint or common membership, including, without limitation the following:

- (1) Notice to either shall constitute notice to both;
  - (2) A waiver of notice signed by either or both shall constitute a joint waiver;
  - (3) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
  - (4) They shall be entitled to one vote, whether exercised by one of them separately or both jointly;
  - (5) Expulsion of either shall terminate the joint membership;
  - (6) Withdrawal of either shall terminate the joint membership; and
  - (7) Either but not both may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office.
- (d) The records of the Cooperative shall properly show all joint memberships in the names of the joint members. By writing signed by both joint members and filed with the Cooperative, any joint membership may be terminated and changed to a membership in common or vested solely in one of the joint members.
- (e) Upon the death of either spouse, or other person, who is a party to a joint membership, such membership shall be held solely by the survivor and the records of the Cooperative shall be changed to show membership solely in the survivor; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

#### **Section 4. Conversion of Membership**

A membership may be converted to a membership as tenants in common or as joint tenants with right of survivorship upon the written request by the holder and the agreement by the holder and the persons becoming tenants in common or joint tenants to comply with the articles of incorporation, bylaws, and policies, rules and regulations adopted by the board of directors.

#### **Section 5. Purchase of Electric Energy**

Each applicant for membership shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in the application for membership, and shall pay therefor at rates which shall from time to time be fixed by the board of directors. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative facilities, shall be subject to appropriate safety and other regulations as shall be fixed from time to time by the Cooperative. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided by these bylaws. Regardless of the amount of electric energy consumed, each member shall pay the Cooperative such minimum amount as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed to the Cooperative as and when the same shall become due and payable.

#### **Section 6. Transfer or Termination of Membership**

- (a) A membership may be transferred by a member to the successors in interest or occupancy upon such member's premises, subject, however, to the following conditions:
  - (1) Compliance by such successor with the provisions of subdivisions (a) - (c) of Section 1 of this Article;
  - (2) Payment in full by the member transferor of all his debts and liabilities to the Cooperative; andNo such transfer shall be effective until approved by the board of directors or the board's designee and entered upon the records of the Cooperative. The successor member shall be deemed to have assumed by virtue of such transfer any contractual obligations of the transferor member to the Cooperative relating to the future purchase of energy from the Cooperative.
- (b) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of directors may prescribe. Subject to any regulations imposed by lawful authority, the board of directors may, by the affirmative vote of not less than two thirds (2/3) of all members of the board of directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or policies, rules or regulations adopted by

the board of directors, but only if such member shall have been given written notice by the Cooperative that such failure makes the member liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the board of directors or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be canceled by resolution of the board of directors.

- (c) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (d) Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint, provided that this provision shall not affect the ownership of funds held by the Cooperative in the names of the joint owners, and further provided, that neither joint owner shall be released from debts due the Cooperative arising from the joint ownership.

### **Section 7. Non-Liability for Debts of the Cooperative**

The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

### **Section 8. Property Interest of Members**

Upon dissolution and after (a) all debts and liabilities of the Cooperative shall have been paid and (b) except as otherwise provided in these bylaws, all capital furnished through patronage shall have been retired as provided in the bylaws, then the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten calendar years next preceding the date of the filing of the certificate of dissolution, subject to

and in accordance with such classifications of business as may have been employed in allocating patronage capital to such members during said ten-year period. In making such distribution, patronage for each year shall be adjusted to reflect the changes in the Consumer Price Index, if any, between the year the patronage occurred and the date of distribution.

## **ARTICLE III SERVICE PRINCIPLES**

### **Section 1. Area Coverage Service**

The Cooperative holds itself out to serve and shall make diligent efforts to extend and render adequate and dependable service to all unserved persons within the Cooperative service area, regardless of the size or nature of their service requirements, who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of service.

### **Section 2. Service Area Maps**

The Cooperative shall from time to time prepare and maintain on file area coverage service maps designating the Cooperative service area within which it holds itself out to extend and render service under Section 1 of this Article.

### **Section 3. Extension and Service Rules**

Extension and service rules of the Cooperative from time to time promulgated by the board of directors shall be of general and uniform application and shall provide for service without discrimination to all patrons or members within the same classification of business.

### **Section 4. Service to Non-Member Patrons**

In the event the Cooperative shall acquire all or any portion of the property of any public utility, former consumers of such public utility served through the property acquired shall be invited to become members of the Cooperative. Should any such consumer refuse to become a member of the Cooperative then the Cooperative may continue to render service to such consumer as a patron of the Cooperative, provided, however, that the Cooperative may not render service to non-members in excess of ten percent (10%) of the total patrons served by the Cooperative.

## **Section 5. Assumption of Public Utility Obligations**

Within the corporate limits of any city or village in which the Cooperative may acquire the property of any public utility, the board of directors may, by rule or by agreement with the governing board of such municipality, cause the Cooperative to become subject therein to all or part of the regulatory rules and jurisdiction of the Public Service Commission of Wisconsin, or other regulatory agency provided by law, provided that this shall not affect the status of the Cooperative in the balance of its service area nor require approval of its securities issued to the United States of America or to any other lender or investor.

## **ARTICLE IV MEETINGS OF MEMBERS**

### **Section 1. Annual Meeting**

The annual meeting of the members shall be held during the first six months of each year, on a date and at such place within or conveniently adjacent to the general service area of the Cooperative, in the State of Wisconsin, as shall be designated by the board of directors in the notice thereof, for the purpose of electing directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. In the event the election of directors is not held at such annual meeting or adjournment thereof, the board of directors shall call a special meeting of the members for such purpose, to be held as soon thereafter as may be convenient. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

### **Section 2. Special Meetings**

Special meetings of the members may be called by the Chairman, by resolution of the board of directors, or upon a written request signed by at least twenty percent (20%) of the members and it shall thereupon be the duty of the Secretary to give notice of such a meeting. Special meetings of the members may be held at any place within or conveniently adjacent to the general service area of the Cooperative, in the State of Wisconsin, specified in the notice of the special meeting.

### **Section 3. Notice of Member Meetings**

Written or printed notice, stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at this address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

### **Section 4. Quorum**

The number of members to constitute a quorum at a meeting of the members shall be fifty (50). If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting, provided a new notice is mailed to each member, specifying the time and place of such adjourned meeting.

### **Section 5. Voting**

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of a majority of the members voting thereon at such meeting, except as otherwise provided by law, the articles of incorporation of the Cooperative, or these bylaws. Any member which is a cooperative, corporation, partnership, government body, church or voluntary association may, acting through its governing body, designate in writing its representative to act for it at membership meetings. Such written designation shall be filed with the Secretary before such representative votes at any such meeting, except that the chairman of any such corporation, association, board or body politic may cast its vote at such meeting if no such written designation for any other representative is so filed. Such representative or officer may also vote as an individual if he is a member. A guardian or legal representative of any member may vote on

behalf of such member. Voting by absentee ballot shall be only as specifically authorized by the board of directors.

### **Section 6. Voting by Absentee Signed Ballot**

Any member who is unable to attend a meeting of the members may vote on any motion to be considered at the meeting only as follows:

- (a) If the Cooperative provides ballots for the vote on the motion to the members together with notice of the meeting at which the vote will be taken and exact copies of the motion and any resolution to which it pertains, an absent member may vote on the motion by submitting a signed ballot. If a signed ballot has been submitted on a motion under this paragraph, neither the motion nor any resolution to which it pertains may be amended.
- (b) If the Cooperative does not provide ballots and an exact copy of the motion or resolution to which it pertains to the members along with the notice of meeting, but makes available ballots for the vote along with exact copies of the motion or resolution to which it pertains, then a member may request a ballot and exact copy of the motion and may vote by submitting a signed ballot. However, the motion and any resolution to which it pertains may be amended at the meeting and, if the motion or resolution is amended, the ballot is void. The ballot may not be counted on any motion to amend or adopt as amended the motion or resolution.
- (c) A sealed envelope bearing the signature of the member and enclosing a marked but unsigned ballot shall constitute a signed absentee ballot for purpose of this section.
- (d) Absentee ballots shall be mailed or delivered to the Cooperative office so as to be received at the office not later than noon on the last business day before the membership meeting.
- (e) Should a member who has voted by absentee ballot attend such meeting in person, such member's absentee ballot shall be retained as his vote unless he shall withdraw the same and elect to cast his ballot at the meeting.
- (f) Ballots for use in voting for directors shall be provided members along with the notice of meeting. Members may vote by absentee ballot in accordance with the provisions of this section. Such ballots shall be counted even if additional nominations are made from the floor.

- (g) The failure of any member to receive a copy of any motion or ballot shall not invalidate any action which may be taken by the members at such meeting.

### **Section 7. Order of Business**

The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be essentially as follows:

- (a) Determination of quorum.
- (b) Reading of unapproved minutes of previous meeting of members, and approval thereof.
- (c) Election.
- (d) Presentation, consideration of, and acting upon, reports of officers, directors, and committees.
- (e) Unfinished business.
- (f) New business.
- (g) Adjournment.

The foregoing order of business may be changed by a two-thirds (2/3) vote of the members in attendance and voting at any such meeting. Unless the members by a two-thirds (2/3) vote of those in attendance and voting determine otherwise, Roberts Rules of Order shall govern all other procedural questions.

## **ARTICLE V DIRECTORS**

### **Section 1. Number and General Powers**

All powers of the Cooperative shall be exercised by or under authority of, and the business and affairs of the Cooperative shall be managed under the direction of a board of nine (9) directors, except as otherwise provided by law, the articles of incorporation, or these bylaws.

Powers of the board of directors (without limitation because of designation) shall include the determination and fixing of classifications of business and rates to be charged by the Cooperative for services furnished, promulgation and enforcement of policies, rules and regulations governing service to patrons, and the selection or nomination of directors, delegates or other representatives of the Cooperative at meetings of organizations of

which the cooperative may be a member, including the power to remove such director, delegate or representative.

## **Section 2. Director District, Tenure and Qualifications**

- (a) Director Districts. The territory at anytime served by the Cooperative shall be divided into nine (9) districts, each of which shall be represented on the board of directors by one director. The board of directors may from time to time change the boundaries of the director districts, provided, however, that any such change shall be presented for approval by the members at the next membership meeting. Each director district shall contain as nearly as practicable the same number of members, except where natural or political boundaries require disproportionate representation to ensure a community of interest among the members within each district.
- (b) Tenure. Directors shall be elected for three (3) year terms on a staggered basis so that no more than three of such terms shall expire at each annual meeting. Each director elected shall serve until the annual meeting when the term expires, or until the successor is elected and qualified, subject to the provisions of these bylaws with respect to the removal of directors.
- (c) Qualifications. No person shall be eligible to become or remain a director or to hold any position of trust in the Cooperative, who:
  - (1) is not a member and a bona fide resident of the director district which he or she has been nominated or elected to represent and who does not receive service from the Cooperative at his or her residential abode; or
  - (2) is in any way employed by or financially interested in a competing enterprise or a business selling energy or supplies to the Cooperative, other than an ownership interest in a facility which generates energy primarily for on-site consumption and which may sell surplus energy to the Cooperative; or
  - (3) is an incumbent of, or candidate for, an elective county, state or federal office filled by election on a party ticket. ; or
  - (4) is currently an employee of the Cooperative or was employed by the Cooperative at any time during the preceding 5-year period.
  - (5) is participating as a party or witness, or has so participated at any time during the preceding 5-year period, in litigation against the Cooperative.

- (6) is delinquent for more than 90 days in the payment of any amount owed to the Cooperative.
- (7) has been convicted of any offense involving dishonesty.

When a membership is held jointly or by tenants in common, one of the joint tenants or one of the tenants in common, but not more than one, may be elected a director, provided, however, that such person shall not be eligible to become or remain a director or hold a position of trust in the Cooperative unless both joint tenants or all tenants in common shall meet the qualifications hereinabove set forth. When a membership is held by a partnership, one, but not more than one, of the partners designated in writing by the partnership may be elected a director, provided, however, that none of the partners shall be eligible to become or remain a director or hold a position of trust in the Cooperative unless the candidate shall be a bona fide resident of the director district and unless all partners shall meet the qualifications set forth in sub. (2) - (3), above. When a membership is held by a corporation, one, but not more than one, of the officers thereof designated in writing by the corporation may be elected a director, provided, however, that none of the officers shall be eligible to become or remain a director or hold a position of trust in the Cooperative unless the candidate shall be a bona fide resident of the director district and unless all of the officers shall meet the qualifications set forth in sub. (2) - (3), above.

Nothing in this section shall be construed to preclude any member from serving as a director or from holding any position of trust in the Cooperative because such member is an incumbent of, or a candidate, for the county board of supervisors or because such member is also a member or a director of any other cooperative from which this Cooperative purchases or may purchase electric energy, supplies or services, or which is engaged in selling electrical or plumbing appliances, fixtures, or supplies to the members of this Cooperative, nor shall anything in this section be deemed or construed to affect in any manner whatsoever the validity of any action taken at any meeting of the directors.

- (d) Required Training. No director may serve more than one (1) term of office unless the director, during the director's first term of office, has completed the basic training course pertaining to directors' roles and

responsibilities offered by the National Rural Electric Cooperative Association. This requirement shall apply to new directors elected at the 2007 or subsequent annual meetings.

(e) Disqualification.

- (1) Upon establishment of the fact that a nominee for director lacks eligibility under this section, it shall be the duty of the chairperson presiding at the meeting at which such nominee would otherwise be voted upon to disqualify the nominee.
- (2) Upon establishment of the fact that any person being considered for, or already holding a position of director, may lack eligibility to become or remain a director, it shall be the duty of the directors, upon reasonable notice to the person whose eligibility is in question, to hold a hearing on such matter. The directors shall find and determine whether such person is ineligible to become a director, or if already a director, is ineligible to remain a director under the qualifications provided in these bylaws. In making such determination, if the person whose eligibility is being considered is a director, that person may not vote. If the remaining directors determine by a majority vote that the person, if a candidate, is ineligible to become a director, then such person's name shall be withdrawn as a candidate for director. If the person is already a director, then that person shall be ineligible to remain a director, and his or her office as a director shall forthwith become vacant. The remaining directors shall appoint a successor until the next membership meeting.

**Section 3. Director Nominations**

Not less than 120 days prior to the annual meeting, the board of directors shall appoint a nominating committee for each district in which a director is to be elected that year for the term set forth in Article V, Section 2.(b). The nominating committee shall be comprised of not more than 3 members from the district selected by the board of directors from the members receiving service in that district. The nominating committee shall nominate 2 or 3 persons, including the incumbent, from that district. The incumbent shall be a nominee for re-election to the board by notifying the nominating committee of such candidacy prior to the first meeting of the nominating committee. Not less than 100 days before the annual meeting the nominating committee shall submit its slate of nominees to the

cooperative for notice and the delivery of ballots to the members entitled to notice and to vote in the district in which a director is to be elected.

Any fifteen (15) or more members within a district may, by signed petition filed not less than sixty (60) days prior to the annual meeting, make other nominations for director from such district. Such petition shall designate the district to be represented. The order of placement of nominees' names on the ballot shall be decided by lot.

Voting shall be by signed ballot. Each member in the district where an election is to be conducted shall be provided with a ballot. Ballots shall be signed and returned by mail prior to the annual meeting to the election committee or such other disinterested third party as the board may designate, or ballots may be submitted at the annual meeting by those who have not voted by mail. Such designee shall accurately and faithfully count and tally the ballots received, and report the results of the election to the members in writing at the annual meeting. Each member entitled to vote may vote for one candidate. The ballot shall contain a space for the member to vote by inserting the name of one write-in candidate of the member's choice. The candidate receiving the most votes shall be the director of the district. In the case of a tie, the winner shall be decided by lot. The minutes of the annual meeting shall set forth, among other matters, the name of each person nominated, the number of votes received by each nominee, and the name of the person and the district to which the person has been elected for the ensuing term.

#### **Section 4. Vacancies**

Subject to the provisions of these bylaws with respect to the removal of directors, a vacancy in the office of director shall be filled by a majority vote of the remaining directors and the director thus elected shall serve until the next annual meeting of the members or until a successor shall have been elected and shall have qualified.

#### **Section 5. Compensation**

Board members shall not receive any salary for their services as such, except that the board of directors may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing

committee assignments when authorized by the board. If authorized by the board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of those expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or his close relative shall have been certified by the board as an emergency measure. The term “close relative” as used here includes child, grandchild, parent, step-parent, spouse, sister, brother, half-sister, half-brother, niece, and nephew.

### **Section 6. Policies, Rules and Regulations**

The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

### **Section 7. Accounting System and Reports**

The board of directors shall cause to be established and maintained a complete accounting system which, among other things, shall conform to applicable legal, regulatory and lender requirements. All accounts of the Cooperative shall be examined by a committee of the board of directors which shall render reports to the board. The board of directors shall also within a reasonable time after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following annual meeting.

### **Section 8. Removal of Director by Members**

Any member may bring charges against a director and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members, may request the removal of such director by reason thereof. Upon receipt of such petition it shall be the duty of the Chairman of the board of directors to call a special meeting of

the members to hear the same. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against the director shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members. The director may be removed by the vote of a majority of members present and voting. Any vacancy created by such removal may be filled by vote of the members from the district with the vacancy at such meeting without compliance with the foregoing provisions with respect to nominations.

**Section 9. Reprimand of Director by Board.**

The board of directors may, by the vote of not less than two-thirds (2/3 of the full board, reprimand a director who, without board authorization, undertakes private conversations with others to make commitments for the board or the Cooperative.

**ARTICLE VI  
MEETINGS OF DIRECTORS**

**Section 1. Regular Meetings**

A regular meeting of the board of directors for the purpose of electing officers may be held without notice immediately after and at the same place as the annual meeting of the members. A regular meeting of the board of directors shall also be held monthly at such time and place within the area served by the Cooperative as designated by the board of directors. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

**Section 2. Special Meetings**

Special meetings of the board of directors may be called by the Chairman or by any three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Chairman or directors calling the meeting shall fix the time and place within the area served by the Cooperative for the holding of the meeting.

### **Section 3. Notice**

Written notice of the time, place and purpose of any special meeting of the board of directors shall be delivered at least three (3) days prior to the meeting either personally or by mail, to each director by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chairman or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid, provided it is so mailed at least five (5) days before the date set for the meeting.

### **Section 4. Quorum**

A majority of the board of directors shall constitute a quorum, provided, that if less than such majority of the board is present at a meeting, a majority of the board of directors present may adjourn the meeting from time to time; and provided, further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. One day's notice by telephone of such adjourned meeting shall be sufficient for purposes of this section. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, except as otherwise provided by law, the articles of incorporation, or these bylaws.

### **Section 5. Meetings Conducted through the use of Communication Technology**

- (a) If the board of directors shall permit in advance and shall be given the required notice, or if all directors shall verbally consent concurrently with the holding of the meeting, any or all directors may participate in a regular or special meeting or in a committee meeting by, or to conduct the meeting through the use of, any means of communication by which any of the following occurs:
- (1) All participating directors may simultaneously hear each other during the meeting.
  - (2) All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

- (b) If a meeting will be conducted through the use of any means described in paragraph (a) all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in paragraph (a) is deemed to be present in person at the meeting. Minutes of the meeting shall be prepared and distributed to each director and shall also be kept with the official records of Cooperative.
- (c) The identity of each director participating in a meeting of the board or a committee of the board by any means described in paragraph (a) must be verified before the directors vote at the meeting on a plan of merger, consolidation or division; to sell, lease, exchange or otherwise dispose of substantial property or assets of the Cooperative; to voluntarily dissolve, or to file bankruptcy. The procedure for verifying a director's identity shall be as follows:
  - (1) At least thirty (30) days before the day at which a meeting is to be held by any means described in paragraph (a) each director shall designate in writing one or more telephone numbers through which the director can be reached for purpose of participating in such a meeting and sign and file such designation with the secretary of the Cooperative. Thereafter a director may change or designate additional telephone numbers at which the director may be reached, provided such additional number or numbers are designated in writing, signed by the director, and the designation is filed with the secretary at least 36 hours prior to the day of meeting. A director may not participate in such a meeting through or at a number not so designated and filed.
  - (2) At the opening of each such meeting the secretary, or in the absence of the secretary, the chairman shall call the roll. Directors shall respond by giving name, address, and occupation. All other directors participating in the meeting must be satisfied as to the responding director's identity, and must object if there is any doubt as to such identity. If there is such objection, the meeting may not be held.
- (d) For purposes of this Section, any sale, lease, exchange or other disposition which covers or affects 5% or more of the Cooperative property or assets, shall constitute a substantial disposal thereof. Authority of the board to dispose of assets shall at all times be subject

to approval of the Cooperative membership as set forth in these bylaws.

### **Section 6. Notice of Meeting to be Conducted through use of Communication Technology**

If a meeting is to be conducted through use of communication technology, written notice of the date, time, and purpose of the meeting shall be given in the same manner as provided in these bylaws for notice of special board meetings.

## **ARTICLE VII OFFICERS**

### **Section 1. Number**

The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as may be determined by the board of directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

### **Section 2. Election and Term of Office**

The officers shall be elected by ballot, annually by and from the board of directors either at the meeting of the board held immediately after the annual meeting of the members or at the next regular meeting of the board. Each officer shall hold office until the first meeting of the board of directors following the next succeeding annual meeting of the members or until a successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board for the unexpired portion of the term.

### **Section 3. Removal of Officers and Agents by the Board**

Any officer or agent elected or appointed by the board of directors may be removed by the board whenever in its judgment the best interest of the Cooperative will be served thereby.

### **Section 4. Chairman**

The Chairman shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the board, shall preside at all meetings of the members and the board of directors;
- (b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board of directors to be executed, except in cases in which the execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of Chairman and such other duties as may be prescribed by the board of directors from time to time.

### **Section 5. Vice Chairman**

In the absence of the Chairman, or in the event of the Chairman's inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be prescribed by the board.

### **Section 6. Secretary**

The Secretary shall:

- (a) keep the minutes of the meetings of the members and the board of directors in books provided for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws or as required by law;
- (c) safekeep the corporate books and records and the seal of the Cooperative and affix the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keep a register of the names and post office addresses of all members;
- (e) keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative, furnish a copy of the bylaws and of all amendments thereto any member upon request; and

- (f) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be prescribed by the board.

### **Section 7. Treasurer**

The Treasurer shall:

- (a) have charge and custody of all funds and securities of the Cooperative;
- (b) receive and give receipts for all monies due and payable to the Cooperative, and deposit all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be prescribed by the board.

**Section 8. Chief Executive Officer** The board of directors may appoint a chief executive officer who may be, but who shall not be required to be, a member of the Cooperative. The chief executive officer shall perform such duties and shall exercise such authority as the board of directors may from time to time prescribe.

### **Section 9. Bonds of Officers**

The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the board of directors shall determine. The board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

### **Section 10. Reports**

The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VIII FINANCIAL TRANSACTIONS**

### **Section 1. Contracts**

Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

### **Section 2. Checks and Drafts**

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the board of directors.

### **Section 3. Deposits and Investments**

All funds except petty cash of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the board of directors may select. Nothing herein shall be deemed to prohibit the board from extending loans to members for proper purposes in the interest of the Cooperative.

### **Section 4. Fiscal Year**

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

## **ARTICLE IX NON-PROFIT OPERATION**

### **Section 1. Interest or Dividends on Capital Prohibited**

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

### **Section 2. Patronage Capital in Connection with Furnishing Electric Energy**

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons within a particular business classification for all amounts received and receivable from the furnishing of electric energy to patrons within such classification in excess of operating costs and expenses properly chargeable against the furnishing of electric energy to patrons within such classification. Subject to the provisions hereof relating to adjustments between and among classes of business, all such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital, and the Cooperative is obligated to pay as credits to a capital account for each patron all such amounts in excess of operating costs and expenses.

The books and records of the Cooperative shall be kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to the patron's class of business and to the patron's account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts of capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be apportioned among the various classes of business on a total patronage basis and shall be:

- (a) used to offset any losses incurred during the current or any prior fiscal year, and
- (b) to the extent not needed for that purpose, allocated to its patrons within such business classification on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

### **Section 3. Patronage Refunds in Connection with Furnishing Other Service**

In the event that the Cooperative should engage to a substantial extent in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods and services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned or allocated to those patrons, members or non-members alike, from whom such amounts were obtained.

#### **Section 4. Classification of Business**

With respect to the furnishing of electric energy, and the allocation of capital credits in connection therewith, the board of directors may classify the business done by the Cooperative with all of its patrons into classes of business and patronage. Such classifications shall be based on factors relating to the cost of rendering service and the rates lawfully chargeable in connection therewith in accordance with reasonable accounting, engineering and utility standards and practice. The board of directors may apply to such classes of business formulas designed to equitably determine for each class so established any amounts paid by patrons within such class in excess of the costs of service for such class. In developing such formulas and in determining the respective amounts of capital so furnished by all patrons within such classes, the board shall give regard to the level of capital contributed by each such class of business during the current or any prior fiscal year so as to equitably adjust the aggregate capital accounts between and among classes of business.

If the receipts from every class of business in any year exceed the costs and expenses allocable and chargeable thereto, then the excess of receipts over expenses for each class of business shall be allocable to each such class as capital credits and to patrons within each such class on a dollar patronage basis. If, however, the costs and expenses chargeable or allocable against any one or more classes of business exceed the receipts from all patrons within such class or classes of business, then such deficit shall be charged against the patronage margins otherwise assignable to any remaining class or classes of business, on a dollar volume patronage basis, so that in no year shall there be credited to patrons as patronage capital an amount greater than the excess of receipts from all patrons over the costs and expenses of doing business with all patrons.

All patronage margins contributed by patrons within a given class of business shall be assigned to such patrons on a dollar volume basis of

patronage, but no patronage capital shall be deemed to have been contributed by, or shall be allocated to, any patron within any class of business, if the receipts from all patrons within such class do not exceed the costs and expenses chargeable or allocable to such class. In the event patronage from any patron falls into two or more classes of business, capital credits assigned to such patron shall be the net amount of the capital credits determined after debiting and crediting such patron's account with all patronage debits and credits from all such classes of business.

#### **Section 5. Retirement of Patronage Capital on Dissolution or Liquidation or Prior Thereto on Revolving Basis**

In the event of the dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a prorata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Cooperative shall not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. After January 1, 1990, the board of directors shall determine under rules of general application the method, basis, priority and order of retirement, if any, for all amounts theretofore or thereafter furnished as capital.

#### **Section 6. Assignment of Patronage Capital**

Except as provided in Section 9 and 10 hereof, capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board of directors, acting under policies of general application, shall determine otherwise.

#### **Section 7. Prior Retirement of Estates of Deceased Patrons**

Notwithstanding any other provision of these bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron who was a natural person, if the legal representatives of the estate shall request in writing that the capital credits to any such patron be retired prior to the time such capital would otherwise be returned under the

provisions of these bylaws, to retire capital credits to any such patron immediately upon such terms and conditions as the board of directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon, provided, however, that the financial condition of the Cooperative will not be impaired thereby. The board of directors is authorized, but not required, to provide for prior retirement to surviving joint tenancy or tenancy in common patrons and to heirs of deceased patrons on the same basis as retirements hereunder may be made to estates of deceased patrons, to the extent of the deceased patron's interest in the capital credits as determined by the board.

**Section 8. Prior Retirement or Purchase in the Event of Exchange or Acquisition of Utility Properties.**

Notwithstanding any other provision of this article relating to retirement of capital credits, in the event of an exchange of utility property and patrons with another cooperative or utility, or in the event the Cooperative should acquire any public utility which it has been serving at wholesale, the board of directors is authorized, in its discretion and under rules of general application, to forthwith retire capital credited to such former retail or wholesale patron, or to purchase for the treasury of the Cooperative such capital so credited, upon such terms and conditions as the board shall determine.

**Section 9. Security Interest in Patronage Capital**

The Cooperative shall have a continuing security interest in the patronage capital allocated and credited to any patron for any indebtedness due and owing from such patron to the Cooperative. The patron shall execute such documents as the Cooperative may request to create and perfect this security interest. The rights of the Cooperative under the security interest hereby granted may be exercised in the event of the default in payment by the patron of the patron's obligations, or in the event of the bankruptcy of the patron, and such indebtedness of the patron shall be subtracted from the capital allocated and credited to the patron in any retirement thereof made hereunder to said patron or to his estate, heirs, or surviving joint member.

**Section 10. Assignment for Educational Charitable Purposes**

Any patron may assign all or any portion of the patronage capital now or hereafter expected to be credited to his or her account pursuant to this Article to the Cooperative, in trust, to be used only for Federated Youth Foundation, Inc., a charitable tax exempt organization, or to such other educational or charitable purposes as may be designated by the assignor or the board of directors effective as of the date of assignment, subject to the Cooperative's prior lien for unpaid charges under Section 9 of this Article.

### **Section 11. Forfeiture of Unclaimed Funds**

- (a) The Cooperative shall effect the forfeiture of all unclaimed funds, including all forms of distributions or capital credits, membership fees, deposits, or dividends, and shall do the following in connection therewith:
  - (1) No earlier than three years and no later than five years after the funds are first made available to the owners, the board of directors shall declare the funds forfeited to the Cooperative unless claimed by a specified date.
  - (2) After the declaration of forfeiture, the Cooperative shall give notice that states that the funds shall be forfeited if not claimed by the specified date, which date shall be a business day at least 60 days after the mailing of the notice.
  - (3) The notice under paragraph (2) shall be mailed to the last known address of each owner and shall be published on or before the date of mailing in a newspaper published in the municipality containing the service area of the Cooperative.
  - (4) The Cooperative shall dedicate any funds remaining unclaimed after the date specified in paragraph (2) to educational purposes, limited to providing scholarships or loans to students, or to charitable purposes, as the board of directors determines, within one year after the date the funds are declared forfeited under paragraph (1). Educational purposes shall not include political purposes as defined in Section 11.01(16), Wisconsin Statutes.
- (b) At any time subsequent to a forfeiture under this bylaw, the owner of forfeited funds may submit a claim to the board of directors and if the board determines that the person owned the funds at the time of the forfeiture, it shall refund the funds to the person.
- (c) The board of directors may establish a reasonable reserve for payment of claims, which reserve shall be credited to patrons in accordance

with the ratio which their patronage bears to total patronage. This reserve shall be reimbursed for claims charged thereto, out of funds subsequently declared forfeited.

**Section 12. Subscription to Wisconsin Energy Cooperative News**

The Cooperative, through action of its board of directors, is authorized in the name and behalf of each member of the Cooperative to subscribe to the Wisconsin Energy Cooperative News. The expense of the subscriptions for all members, at such rate as the board of directors may from time to time establish, shall be charged in calculating the aggregate of capital deposited by members under Section 2 of this Article for electric service in the same manner as are charged other appropriate expenses of the Cooperative.

**Section 13. Dispute Resolution.**

Any and all disputes, claims or controversies arising from or related in any way to the Cooperative's provision of electric, gas, telecommunications or other services, or its furnishing of any goods or its conduct of its operations, other than disputes or claims related to the payment for electric energy provided by the Cooperative, that are not resolved by agreement of the parties, shall, at the request of any party, be resolved by binding arbitration by an impartial arbitrator or panel of arbitrators, pursuant to written procedures to be established from time to time by the board of directors.

Based on the members enacting this binding arbitration provision as a means of dispute resolution, each member of the Cooperative, by virtue of such, agrees to arbitrate all such claims or controversies according to this bylaw and the regulations and policies prescribed by the board of directors, and further agrees to abide by and perform under the policies all such rules of arbitration, and to abide by and perform any awards made hereunder. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a member's membership in the Cooperative.

**ARTICLE X  
DISPOSITION OF PROPERTY**

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at meeting of the members thereof by the affirmative vote of not less than two thirds (2/3) of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting, provided, however, that notwithstanding anything herein contained, the board of directors of the Cooperative, without authorization by the members thereof, shall have full power and authority to borrow money from the United State of America or any agency or instrumentality thereof, or from National Rural Utilities Cooperative Finance Corporation (hereinafter referred to as "C.F.C.") or other financing institution or bank if approved by the Rural Utilities Service, and in connection with such borrowing to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board of directors shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof or to C.F.C. or other financing institution or bank if approved by the Rural Utilities Service; provided, further, that the board of directors may, upon the authorization of a majority of those members of the Cooperative voting at a meeting of the members thereof, merge or consolidate with another Cooperative or foreign corporation doing business in this state pursuant to the Act under which this Cooperative is incorporated.

**ARTICLE XI**  
**INDEMNIFICATION OF OFFICERS,**  
**DIRECTORS AND EMPLOYEES**

To the extent permitted by law, the Cooperative shall indemnify an individual against liability and expenses incurred in any proceeding in which the individual was joined as a party because of his or her service at any time as an officer or director of this Cooperative or any predecessor hereto, and shall indemnify employees to the same extent permitted for

officers and directors. Entitlement to indemnification shall be determined by majority vote of the disinterested directors. If a quorum cannot be obtained, then the determination shall be made by majority vote of a committee duly appointed by the board and consisting of two (2) or more disinterested directors, or by independent legal counsel selected by the board. The board may refer the matter to the members for their determination by majority vote at a meeting of the disinterested members duly called and held.

## **ARTICLE XII MISCELLANEOUS**

### **Section 1. Waiver of Notice**

Any member or director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

### **Section 2. Membership in Other Organizations**

The Cooperative shall not become a member of any other organization without a two-thirds (2/3) vote of the board of directors or an affirmative vote of the members at a meeting called as provided in these bylaws and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business. The board of directors shall advise the members, at the next membership meeting, of all organizations joined pursuant to action of the board of directors since the last membership meeting.

### **Section 3. Seal**

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Wisconsin."

## **ARTICLE XIII AMENDMENTS**

These bylaws may be altered, amended or repealed by a majority of the members of the Cooperative voting at any annual or special meeting, provided, however, that the required majorities set forth in Article X may not be amended by vote of less than that majority proposed to be amended, and provided, further, that these bylaws shall not be altered, amended or repealed at any meeting of the members unless notice of the nature of such alteration, amendment or repeal shall have been contained in the notice of such meeting. Any amendment offered from the floor at any such meeting which is germane to any amendment or resolution specified or referred to in the notice of the meeting may be acted upon with the same force and effect as though set forth in the notice of the meeting.

## **Statement of Non-Discrimination**

Scenic Rivers Energy Cooperative is a recipient of federal financial assistance from the Rural Utilities Service (RUS), an agency of the U.S. Department of Agriculture. In accordance with federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

The person responsible for coordinating this organization's nondiscrimination compliance efforts is Steve Lucas, chief executive officer of Scenic Rivers Energy Cooperative. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may file a written complaint with this organization; or the Office of the Secretary, U.S. Department of Agriculture, Washington, DC 20250; or the Administrator, Rural Utilities Service, Washington, DC, 20250. Complaints must be filed within 180 days after the alleged discriminatory action, or by such later date to which the Secretary of Agriculture or the Administrator of RUS extends the time for filing. Identity of complainants will be kept confidential except to the extent necessary to carry out the purposes of the rules and regulations of the U. S. Department of Agriculture.