ARTICLES OF INCORPORATION
FOR
LAKE COUNTRY POWER

ARTICLE I - GENERAL

Section 1. The name of this Cooperative is: Lake Country Power, a member owned utility.

Section 2. The business of this Cooperative shall be conducted upon the cooperative plan.

Section 3. The general purpose of the Cooperative is to generate, manufacture, purchase, acquire and accumulate electric energy for its Members and to transmit, distribute, furnish, sell and dispose of such electric energy to its Members. The Cooperative is also organized to conduct any business and for all lawful purposes permitted by Chapter 308A of the Laws of the State of Minnesota as amended (the "Minnesota Cooperative Law).

Section 4. The Cooperative is authorized to exercise and enjoy all of the powers, rights and privileges granted to or conferred under Minnesota Cooperative Law.

Section 5. The initial registered office and initial principal place of business of this Cooperative is at 2810 Elida Drive, Grand Rapids, MN.

Section 6. The Cooperative's existence shall be perpetual.

ARTICLE II - MEMBERS

Section 1. The Cooperative is organized as a non-stock cooperative. The Cooperative will maintain appropriate membership records.

Section 2. The Cooperative shall admit applicants to membership ("Members" or "Member") on the conditions
established in these Articles, the Bylaws and the Rules and Regulations.

Section 3. Any one who has the legal capacity to enter into a binding contract may become a Member of the Cooperative by:

   a. agreeing to pay to the Cooperative the fees for electric service specified in Section 4 of this Article; and

   b. agreeing to comply with and be bound by these Articles, the Bylaws and the Rules and Regulations and any amendments to them.

Section 4. Each Member shall, as soon as electric energy is available to the Member, pay to the Cooperative not less than the minimum monthly fee for electric service determined by the Board and shall pay for all electric power and energy used by the Member at the fees fixed by the Board. Each Member shall also pay all other obligations of the Member to the Cooperative as they become due and payable.

Section 5. Each Member shall have only one vote in the affairs of the Cooperative and membership in the Cooperative shall be transferable only with the consent and approval of the Board.

Section 6. The net income of the Cooperative, except for amounts set aside as capital reserves or additional reserves under Minnesota Cooperative Law, shall be distributed only on the basis of patronage. The records of this Cooperative must show the interest of patrons and Members in the reserves. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished to this Cooperative by its Members or Patrons.

Section 7. The Bylaws may define and fix the duties and responsibilities of the Members, officers and Directors and may also contain any other provisions for the regulation of the business and affairs of the Cooperative that are not
inconsistent with these Articles or Minnesota Cooperative Law.

ARTICLE III - BOARD OF DIRECTORS

Section 1. The business and affairs of the Cooperative shall be managed by a Board of Directors (the "Board") consisting of nine (9) Directors.

Section 2. There shall be nine (9) numbered geographic districts for the Cooperative, with one (1) Director representing each district. Each Director shall have voting rights within the district they are elected to represent and shall be elected by the members within the district they are eligible to represent. The district boundaries shall be revised as necessary by the Board. The district boundaries shall be on a map maintained at all offices of the Cooperative and kept available to Members.

Section 3. At each Annual Meeting of Members three (3) Directors shall be elected to a term of three (3) years and a Director shall be elected to fill the remaining term for any district which has had a vacancy during the preceding year. Members may only participate in the election of candidates seeking to represent their district; members may not participate in the election of candidates seeking to represent other districts. All Directors shall serve until their successors are elected and qualified.

Section 4. The Board has the power to adopt and amend Rules and Regulations (the "Rules and Regulations"), not inconsistent with these Articles, the By-Laws or the laws of the State of Minnesota, for the management, administration and regulation of the business and the affairs of the Cooperative, including but not limited to the conduct of elections, the removal of Directors and Officers, and the expulsion of Members.

Section 5. To the fullest extent permitted by Minnesota Cooperative Law, a Director shall not be personally liable to the Cooperative or its Members for monetary damages for breach of fiduciary duty as a Director.
ARTICLE IV - DISPOSITION AND MORTGAGING OF ASSETS

Section 1. Except as provided in Section 2 of this Article, the Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless approved at a meeting of the Members by not less than two-thirds (2/3) of the total number of members of the Cooperative, and unless notice of such proposed sale, lease or other disposition has been given in the notice of the meeting.

Section 2. The Board, without authorization by the Members, shall have full power and authority 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, license, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative.

ARTICLE V - AMENDMENT

These Articles may be amended in the manner provided by Minnesota Cooperative Law with the exception of Article IV Section 1 which may only be altered, amended, or repealed by the affirmative vote of not less than two-thirds (2/3) of the total number of members of the Cooperative.
BYLAWS OF
LAKE COUNTRY POWER

ARTICLE I. MEMBERS

Section 1. Qualifications and Obligations

Anyone who is eligible under and complies with the Articles of Incorporation (the "Articles") shall, after application for and upon receipt of electric service, be a member (a "Member") of Lake Country Power, a member owned utility (the "Cooperative").

Section 2. Joint Membership

Two or more potential members may apply for joint membership and, subject to these requirements, may be accepted for such membership. The term "Member" includes all those holding a joint membership. Any provisions relating to the rights and liabilities of membership apply equally to all holders of a joint membership, specifically and without limitation:

a. The presence at a meeting of any Member constitutes the presence of all joint members and is a joint waiver of notice of the meeting;

b. The vote of any of those holding joint membership separately or all jointly constitutes one joint vote. The Cooperative is not liable or responsible in the event of disagreement as to the casting of a joint vote;

c. A waiver of notice signed by any of those holding the joint membership is a joint waiver;

d. Notice to any of those holding the joint membership is notice to all holding the joint membership;

e. Expulsion or withdrawal of any of those holding a joint membership terminates the joint membership;
f. No more than one of those holding a joint membership may be elected or appointed as an officer or Director provided that all of those holding the joint membership meet the qualifications for such position;

g. Upon the death of any of those holding a joint membership, such membership shall be held solely by the survivors.

Section 3.  Withdrawal and Termination of Membership

Any Member may withdraw upon payment in full of all of the Member's liabilities to the Cooperative and upon compliance with such terms and conditions as the Board of Directors (the "Board") prescribes. Except as provided in the Rules and Regulations, membership terminates when a Member stops receiving electric service from the Cooperative.

Section 4.  Forfeiture of Membership

A Member who knowingly, intentionally, or repeatedly violates a provision of the Bylaws may be required by the Board to surrender membership in the Cooperative.

Section 5.  Voting Privileges

A Member of the Cooperative is only entitled to one vote. Any Member having more than one electric service shall designate one service as the Member's service for voting and representation purposes. The designation, once made, may only be changed upon the earlier of a termination of the designated service or three years.

a. If a vote of Members is taken on any matter, including a petition to regulate the Cooperative under the Minnesota Public Utilities Commission or to deregulate the Cooperative, the spouse of the Member may vote on behalf of the Member unless the Member has indicated otherwise, in writing.
b. A Member may exercise voting rights on any matter that is before the Members at a Members' meeting from the time the Member arrives at the Members' meeting, unless the Articles or Bylaws specify an earlier and specific time for closing the right to vote.

c. A Member's vote at a Members' meeting may be in person, by mail if a mail vote is authorized by the Board, or by electronic means if authorized by the Board, as provided by law, but subject to implementation as authorized by the Board of Directors. A vote cannot be by proxy except as provided above for a vote by a spouse.

d. A Member who is absent from a Members' meeting may vote by mail on a ballot (a "Ballot") as prescribed in this section on any motion, resolution, or amendment that the Board submits for vote by mail to the Members.

e. The Ballot shall be in the form prescribed by the Board and contain:

i. The exact text of the proposed motion, resolution, or amendment to be acted on at the meeting; and

ii. spaces opposite the text of the motion, resolution, or amendment in which the Member may indicate an affirmative or negative vote.

f. The Member may express a choice by marking an "X" in the appropriate space on the Ballot and mail or deliver the Ballot to the Cooperative in a plain, sealed envelope inside another envelope bearing the Member's name.

g. A properly executed Ballot shall be accepted by the Board and counted as the vote of the absent Member at the meeting.
h. If authorized by the Board, any member may vote electronically for a director or upon any motion, resolution, amendment, or other matter upon which members are entitled to vote as may be permitted by law.

ARTICLE II. MEETINGS OF MEMBERS

Section 1. Annual Members' Meetings

Regular Members' meetings must be held annually at a time determined by the Board. The Annual Members' meeting shall be held at the principal place of business of the Cooperative, or at another conveniently located place as determined by the Board. All Directors shall be elected at the Annual meeting. Directors shall be elected by district, not at large. Members may only participate in the election of directors within their geographic district.

Section 2. Special Members' Meetings

Special Members' meetings maybe called by:

a. a majority vote of the Board; or

b. a written petition of the Members submitted to the President in accordance with Minnesota Cooperative Law.

Section 3. Notice of Meeting

a. The Secretary shall give notice of a Members' meeting by:

i. publication in a legal newspaper published in the county of the principal place of business of the Cooperative;
ii. publication in a magazine, periodical, or other publication of the Cooperative that is regularly published by or on behalf of the Cooperative and circulated generally among Members; or

iii. mailing the Members' meeting notice to each Member personally at the person's last known post office address.

b. The Annual Members' meeting notice must be published at least two weeks before the date of the meeting or mailed at least 15 days before the date of the meeting.

c. The Special Members' meeting notice shall state the time, place, and purpose of the Special Members' meeting.

d. The Special Members' meeting notice shall be issued within ten days from and after the date of the presentation of a Members' petition, and the Special Members' meeting must be held by 30 days after the date of the presentation of the Members' petition.

Section 4. Certification of Mailed Meeting Notice

a. After mailing Special or Annual Members' meeting notices, the Secretary shall execute a certificate containing:

i. a correct copy of the mailed or published notice;

ii. the date of mailing or publishing the notice; and

iii. a statement that the Special or Annual Members' meeting notices were mailed or published as prescribed by Section 3 above.
b. The certificate shall be made a part of the record of the meeting.

Section 5. Failure to Receive Meeting Notice

Failure of a Member to receive a Special or Annual Members' meeting notice does not invalidate an action that is taken by the Members at a Members' meeting.

Section 6. Quorum

The quorum for a Members' meeting to transact business is 50 members. In determining a quorum at a meeting, on a question submitted to a vote by mail or electronically, Members present in person or represented by mail or electronic means shall be counted. The attendance of a sufficient number of Members to constitute a quorum shall be established by a registration of the Members of the Cooperative present at the meeting. The registration shall be verified by the President and Secretary of the Cooperative and shall be reported in the minutes of the meeting. An action by the Cooperative is not valid or legal in the absence of a quorum at the meeting at which the action was taken.

Section 7. Order of Business

The order of business at the Annual meeting, and so far as possible, at any Special meeting, shall be generally as follows:

a. Call to Order.
b. Reading of the notice of the meeting, proof providing notice of meeting, verification of a quorum.
c. Approval of minutes of previous Members' meetings.
d. Closing of Polls for voting on Directors and Ballot questions.
e. Presentation and consideration of, and acting upon, reports of Officers, Directors and committees.
g. Unfinished business.
h. New business.

i. Report of voting results.

j. Adjournment.

The actions taken at any annual or special meeting shall be reported in the Cooperative's official publication.
ARTICLE III. DIRECTORS

Section 1. General Powers

The business and affairs of the Cooperative are managed by a Board of Directors who shall be elected in accordance with the Articles. The Board shall exercise all of the powers of the Cooperative except such as are by law, by the Articles or by these Bylaws conferred upon or reserved to the Members.

Section 2. Qualifications

Persons eligible to become or remain a Director of the Cooperative shall:

a. be a Member in good standing and receiving electric service prior to being nominated for a Director;

b. have voting rights within the district from which the Director is to be elected;

c. not be employed by or financially interested in an enterprise competing with the Cooperative in the sale of electric energy or a fuel that competes with electric energy;

d. not be, nor have been, an employee of the Cooperative or its subsidiary companies within three (3) years preceding nomination as a director candidate;

e. not be or become, or at any time during the three (3) years prior to nomination as a director candidate, be employed by a labor union which represents, or has represented, or has endeavored to represent, any employees of the Cooperative;

f. not be a grandparent, parent, spouse, cohabitant, child, sibling, or grandchild, of an employee or incumbent Director of the Cooperative;
g. not be subject to any final order of a court of competent jurisdiction providing that the person:

i. has been convicted of treason or a felony and the person's civil rights have not been restored,

ii. is under guardianship in which the court revokes the ward's right to vote, or

iii. has been found by a court of law to be legally incompetent.

h. unless excused for good cause by the board, not be absent from three or more regular meetings of the Board of Directors during any calendar year. If a director participates in more than one regular meeting during any consecutive twelve month period by electronic communication, that director shall be considered absent from that meeting for purposes of this paragraph.

Upon establishment that a Director is holding office in violation of any of the provisions above, the Board shall remove such Director from office. Upon establishment that a Director candidate would be in violation of any of the provisions above if elected to the Board, the candidate shall be deemed not qualified and shall not be eligible to run for said Director position.

Section 3. Representatives of Members

If a Member of the Cooperative is not a natural person, family farm corporation, or an authorized farm corporation, the Member may appoint or elect a natural person to be eligible for election as a Director.

Section 4. Tenure
The Directors shall be elected at the Annual Members' meeting in the manner provided in these Bylaws for the terms of office prescribed in the Articles.

Section 5.  Reapportionment

Representation on the Board will be apportioned equally throughout the different districts in proportion to the Members in the districts. The number of Members in any one district may not vary by more than ten percent from the average number of Members for all districts. The Board shall cause a survey to be taken at least once every ten years to determine whether the number of Members in a district has changed. If the number of Members in a district changes by 15 percent or more, the Board must provide for changes in the districts so that representation on the Board continues to be apportioned equally throughout the districts in proportion to the number of Members.

Section 6.  Vote by Mail

a. A Member may vote by mail for a Director.

b. The Ballot shall be in a form prescribed by the Board.

c. The Member shall mark the Ballot for the candidate chosen and mail the ballot to the Cooperative in a sealed, plain envelope inside another envelope bearing the Member's name.

d. If the Ballot of the Member is received by the Cooperative on or before the time of the meeting at which a Director is to be elected, the ballot shall be accepted and counted as the vote of the absent Member.

Section 7.  Nomination

Any Member may be nominated for the position of Director by submitting a petition signed by 15 Members who have voting rights in the nominee's district not less than 70
days before the date of the election using the form of Petition prescribed by the Board.

Section 8. **Filling Vacancies**

If a Director's position is vacant, the Board may appoint a Member of the Cooperative to fill the Director's position until the next Annual Meeting of the Members. At the next Annual Meeting of the Members, a Director shall be elected to fill the remaining term for any District which has had a vacancy during the preceding year.

Section 9. **Removal**

The Members have the power to remove any Director for just cause reasonably and directly related to the duties of the position. Any Member may file such charges against a Director by filing in writing with the Secretary a petition, signed by 10% or more of the Members, requesting removal of the Director. The President of the Board shall then appoint a Committee of Directors (one director less than a quorum) to review the charges and conduct such investigation as is necessary to determine in writing within 30 days whether probable cause exists as to the grounds for removal. If probable cause is not found the Petition shall be rejected. If probable cause is found then the removal shall be voted upon at either an annual or special Members' meeting held not less than 50 nor more than 90 days after the finding of probable cause. The Director against whom charges have been brought shall be informed in writing of the charges upon their filing. Both the Director and the Member or Members bringing the charges shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence.

The Board by a two-thirds (2/3) vote, may remove any Director: (i) who is absent from three regular scheduled meetings of the Board (annual meeting to annual meeting) without prior notification to a member of the Board’s executive committee; (ii) who fails to follow the Articles, Bylaws, Rules and Regulations of the Cooperative after having received notice from the Board of the Director’s prior failure to follow those Articles, Bylaws, Rules and Regulations; or (iii) who
discloses information confidential under the Bylaws of the Cooperative.

Section 10.  

Compensation

Directors shall receive reasonable compensation for service to the Cooperative as determined by resolution of the Board of Directors.

ARTICLE IV. DIRECTORS' MEETING

Section 1.  

Regular Meetings

A regular meeting of the Board shall be held without notice other than this Bylaw, immediately after and at the same place as the annual meeting of the Members. A regular meeting of the Board shall also be held at least once per calendar quarter at such time and place as the Board may provide by resolution. Such 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 may be called by the President or any three (3) Directors. The persons authorized to call special meetings of the Board may fix the time and place, for the holding of any special meetings of the Board called by them. The matters that may be acted upon at a special meeting are restricted to those stated in its call and notice.

Section 3.  

Notice

Notice of the time, place and purpose of any special meetings of the Board shall be given at least three (3) days previous thereto, by written or electronic notice, unless all directors waive such notice. If mailed, such notice shall be delivered when deposited in the United States mail so addressed, with postage prepaid thereon. The attendance of a Director at any meeting shall constitute a waiver of notice of
such meeting, except in case a Director shall attend the meeting for the express purpose of objecting to the transaction of any business because the meeting had not been lawfully called or convened.

Section 4. Quorum

A majority of the Board present, either in person or by means of remote communication, shall constitute a quorum for the transaction of business at any meeting of the Board, provided that if less than a majority of the Directors are present in person or by means of remote communication at such meeting, a majority of the Directors so present may adjourn the meeting from time to time without further notice.

Section 5. Manner of Acting

The acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board.

Section 6. Open Meeting

All regular or special meetings of the Board shall be open to all Members of the Cooperative. The Board shall give reasonable prior notice of meetings. The Board may close a meeting, provided the Board President or other presiding officer in the President's absence, has made a determination that a closed meeting is necessary for one of the following reasons:

a. to discuss personnel matters, compensation issues, labor negotiations, billing or credit information, or an issue that may tend to prejudice the reputation of an individual.

b. to discuss threatened or pending litigation, issues subject to an attorney-client privilege, or other legal information, the knowledge of which may have an adverse effect on the Cooperative's legal position; or
c. to discuss or disclose information that, if discussed in an open meeting, would result in impairment of the Cooperative's competitive or financial position, interfere with a business opportunity, or reveal proprietary information.

For purposes of clause (c), a business opportunity means an opportunity of substantial financial improvement of the Cooperative that, if generally known, would likely jeopardize the opportunity itself.

The Board may close a portion of a meeting for the reasons above after announcing during an open meeting the item of business to be discussed during the closed portion.

ARTICLE V. OFFICERS

Section 1. Required Officers

Annually the Board shall elect at the first Board meeting following the annual Members' meeting:

a. a President;

b. a Vice-President;

c. a Secretary; and

d. a Treasurer.

Section 2. Vacancies

Each Officer shall hold office until the first Board meeting following the next annual Members' meeting or until the Officer's successor has been elected and qualified. Except as otherwise provided by law, a vacancy in any office may be filled by the Board. Any Officer elected by the Board may be removed by the Board whenever in its sole judgment the best interest of the Cooperative will be served.
Section 3.  President

The President:

a. presides at all meetings of the Members and the Board and is the official spokesperson of the Board;

b. may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except as applicable law, these Bylaws or the Board, otherwise require or authorize;

c. may vote in person or by proxy all interests of the Cooperative except as applicable law, these Bylaws, or the Board otherwise require or authorize;

d. shall in general perform all duties incident to the office and such other duties as may be assigned by the Board.

Section 4.  Vice-President

In the absence of the President, or if the President is unable to act, the Vice-President shall perform the duties of, have all the powers of, and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as may be assigned by the Board.

Section 5.  Secretary

The Secretary shall, through the employees of the Cooperative:

a. keep minutes of Members and Board meetings in books provided for that purpose;

b. give all notices in accordance with these Bylaws or as required by law;
c. be custodian of the corporate records and the seal of the Cooperative and see that all documents, executed on behalf of the Cooperative under its seal, are duly authorized in accordance with these Bylaws;

d. keep a register of the post office address of each Member as furnished to the Secretary by the Member;

e. have general charge of the books of the Cooperative in which a record of the Members is kept;

f. keep on file at all times a complete copy of these Bylaws containing all amendments thereto, which copy shall always be open to the inspection of any Member, and not more than once a year at the expense of the Cooperative, forward a copy of the Bylaws and of all amendments thereto to any Member who requests them;

g. after giving special or regular Members' meeting notices, execute a certificate containing: (1) a correct copy of the mailed or published notice; (2) the date of mailing or publishing the notice; and (3) a statement that the special or regular Members' meeting notices were mailed or published as required by the Bylaws and Minnesota Cooperative Law, such certificate to be made a part of the record of the meeting; and

h. in general perform all the duties incident to the office and such other duties as may be assigned by the Board.

Section 6.  Treasurer

The Treasurer shall, through the employees of the Cooperative:

a. have charge and custody of and be responsible for all funds and securities of the Cooperative;
b. receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with these Bylaws; and

c. in general perform all the duties incident to the office and such other duties as may be assigned by the Board.

Section 7. Additional Officers

The Board may appoint such additional officers as the Board determines is in the best interests of the Cooperative. Such officers shall serve for a term not exceeding the term of the President and shall have such power and duties as the Board determines.

Section 8. General Manager

The Board of Directors shall appoint a General Manager, who shall not be required to be a member of the Cooperative. The General Manager shall perform such duties and shall have such authority as directed by the Board of Directors.

ARTICLE VI. PATRON'S AND MEMBER'S EQUITY

Section 1. Equity Accounts

The capital of the Cooperative consists of any Membership Capital collected by the Cooperative, the Patron's Net Margins earned by the Cooperative, and any Capital Reserves permitted by Minnesota Cooperative Law.

The Patron's Net Margins allocated to a Patron's account constitutes the Patron's Equity Account. A Member's Membership Capital and the Patron's Net Margins allocated to a Member constitutes the Member's Equity Account.
Section 2. **Membership Capital**

Any amounts paid by a Member of the Cooperative for membership in the Cooperative constitute Membership Capital.

Section 3. **Patron's Net Margins**

a. In the furnishing of electric energy, the Cooperative shall conduct its operations so that persons receiving electric service, Members and non-members alike ("Patrons"), will through their patronage furnish capital for the Cooperative. To assure that it will operate on a non-profit basis, the Cooperative shall account on a patronage basis to all its Patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such excess amounts, at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the Patrons as capital. The Cooperative is obligated to pay by credits to the Equity Account of each Patron all such excess amounts. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, as permitted by law, be used to offset any losses incurred during the current or any prior year and to the extent not needed for that purpose, allocated to its Patrons on a patronage basis. Any amount so allocated shall be included as a part of the capital credited to the Equity Accounts of Patrons as herein provided.

b. The books and records of the Cooperative shall be set up and kept so that at the end of each calendar year the amount of capital, if any, so furnished by each Patron, is clearly reflected and credited in an appropriate record to the Patron's Equity Account. The Cooperative shall, within a reasonable time after the close of each year, notify each Patron of the amount of capital credited to the Patron's Equity Account.
Account. All such amounts credited to the Equity Account of any Patron shall have the same status as though they had been paid to the Patron in cash, pursuant to a legal obligation to do so and the Patron had then furnished the Cooperative corresponding amounts for capital.

Section 4. Capital Reserves

The Board may from time to time in accordance with and subject to the provisions of Minnesota Cooperative Law establish capital reserves or additional reserves which constitute the Capital Reserves. Any amounts contributed to the Capital Reserves shall be capital of the Cooperative. Capital Reserves shall only be allocated to the Members' Equity Accounts at the time of dissolution or liquidation.

Section 5. Repayment Upon Liquidation

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative has been paid, outstanding Patron's Net Margins shall be retired without priority on a pro rata basis before any payments are made on account of the Membership Capital, the Capital Reserves, or other property rights of Members at the time of the adoption of the resolution for dissolution or liquidation.

Section 6. Equity Account Retirement

If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, Membership Capital then credited to Members' Equity Accounts or the Patron's Net Margins then credited to Patrons' Equity Accounts may be retired in full or in part. The Board shall determine the method, basis, priority and order of retirement, if any, of the Members' Equity Accounts and Patrons' Equity Accounts.

Section 7. Assignment or Transfer
The Equity Account credited to each Patron or Member shall only be assignable on the books of the Cooperative pursuant to written instruction from assignor and only to successors in interest or successors in occupancy in all or a part of such Patron's or Member's premises served by the Cooperative unless the Board shall determine otherwise.

Section 8. Right of Offset

The Cooperative shall at no time be required to retire the Equity Account of any Patron or the Membership Capital of any Member who has not paid the Patron's or Member's obligations to the Cooperative and the Board may, in its discretion, apply any Membership Capital or Patron's Net Margin then credited against the unpaid obligations for electric service of the Patron or Member in the same manner as if the Patron or Member were deceased.

Section 9. Early Repayment

Notwithstanding any other provisions of these Bylaws, the Board in its discretion, has the power at any time, upon the death of any Patron, who was a natural person, if requested, to retire the Equity Account of any such Patron and to retire the Membership Capital of any such Member immediately upon such terms and conditions as the Board determines, provided that the financial condition of the Cooperative will not be impaired thereby.

Section 10. Bylaw Provisions are a Contract

The Patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles and these Bylaws constitute a contract between the Cooperative and each Patron and both the Cooperative and the Patrons are bound by such a contract, as fully as though each Patron had individually signed a separate instrument containing such terms and provisions. This provision of the Bylaws shall be called to the attention of each Patron of the Cooperative, by posting it in a conspicuous place in the Cooperative's office.
ARTICLE VII. SEAL

The 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 "Cooperative Seal, Minnesota."

ARTICLE VIII. AMENDMENTS

These Bylaws may be altered, amended or repealed by the Members in accordance with Minnesota Cooperative Law.
Articles of Incorporation

and

Bylaws

Last updated:
April 19, 2017