

RESTATED BYLAWS

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Rock Energy Cooperative

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Article I. MEMBERS

Section 1. Acceptance, Discharge and Expulsion of Members: For the provision of electric, natural gas or any other utility service, members may be accepted, discharged, or expelled by two-thirds (2/3) vote of the Board of Directors. Discharge and expulsion shall only be for just cause after written notice and opportunity by member for a hearing before the board.

Section 2. Evidence of Membership: Membership may be evidenced by a certificate of membership. A membership titled in the sole name of one spouse shall be presumed to be owned by both spouses unless written evidence to the contrary is furnished for the Cooperative records.

Section 3. Eligibility for Service: Upon complying with the rules, Policy Manual and regulations of the Cooperative as prescribed by the Board of Directors, including the making of any required deposits or fees, the member shall be eligible for service by the Cooperative. Members shall purchase from the Cooperative all energy purchased for use on his or her premises, except as may be specifically authorized by the board of directors, and shall pay therefor at rates which shall from time to time be fixed by the board. 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 4. Non-transferability and Surrender of Certificate: No membership shall be transferable, except to the spouse of a deceased member, and all certificates thereof shall be surrendered to the Cooperative upon voluntary withdrawal by members.

Section 4-A. Joint Membership:

- (a) Any application for membership in the Cooperative received after January 1, 1986 from any person who is married shall be deemed and become an application for membership by husband and wife as joint members with right of survivorship unless the person making such application otherwise designates in writing.
- (b) With respect to memberships issued prior to January 1, 1986, the membership of any person who on January 1, 1986 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 members with right of survivorship without further action by such member, unless written evidence to the contrary is filed with the Cooperative.
- (c) The term "member" as used in these Bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership, including, without limitation the following:
 - (1) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint vote;
 - (2) The vote of either separately or both jointly shall constitute a joint vote;
 - (3) A waiver of notice signed by either or both shall constitute a joint waiver;
 - (4) Notice to either shall constitute notice to both;

- (5) Expulsion of either shall terminate the joint membership;
 - (6) Withdrawal of either shall terminate the joint membership;
 - (7) Either but not both may be elected or appointed 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 who is a party to a joint membership, such membership shall thereafter be held solely by the survivor and the records of the Cooperative shall be changed to show membership solely in the survivor; provided, however, the estate of the deceased shall not be released from any debts due the Cooperative.

Section 5. Limitation on Number of Memberships: No member of the Cooperative may own more than one membership, but a member may receive service at more than one location.

Section 6. Non-payment of Interest or Dividends: No interest or dividends shall be paid upon the issuing price of membership in the Cooperative.

Section 7. Voluntary Withdrawal: Members of the Cooperative may voluntarily withdraw from membership upon payment in full of all debts and obligations to the Cooperative and upon compliance with and the performance of all contracts of the Cooperative. Any deposits shall be reimbursed to the withdrawing member within 60 days after the withdrawal, provided all of the withdrawing Member's obligations to the Cooperative have been previously paid.

Section 8. Non-impairment of Obligations: The death, expulsion, or withdrawal of a member of the Cooperative shall not impair his debts, obligations or liabilities to the Cooperative.

Section 9. Service Contracts: The Cooperative may, by a vote of its Board of Directors, require as a condition of accepting members and rendering them service, that such members enter into service contracts with the Cooperative whereby such members agree to take service and pay therefore at least the minimum bill while they are located where service from the Cooperative is available to them. The Board of Directors may further require as a condition of rendering any special service to members, such as three-phase service, that special contracts for such service be first entered into between such members and the Cooperative under such terms and conditions as the Board may deem advisable.

Section 10. 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 by rule, or agreement, with the Governing Board of such Municipality, may 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 the other regulatory agencies with jurisdiction as 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.

Section 11. Dispute Resolution: Any and all disputes, claims or controversies arising from or related in any way to the Cooperative's provision of energy or other services, or its furnishing of any goods or its conduct of its operations, 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; provided, however, that matters within the jurisdictional limits of the small claims courts may be pursued in such courts. As with the other terms of the contract between the patrons and the Cooperative, each patron, member or non-member alike, and the Cooperative agree to

arbitrate all such claims or controversies according to this bylaw and the regulations and policies prescribed by the board of directors pursuant to this bylaw, and further agree to abide by and perform any resulting arbitration awards.

Article II. MEMBERSHIP MEETINGS

Section 1. Annual Meeting: An Annual Meeting of the members of the Cooperative shall be held at such time and place as determined by the Board of Directors, within twelve months after the close of the fiscal year.

Section 2. Special Meetings: The chairman or Board of Directors may call special meetings of members of the Cooperative, and upon written demand, signed by at least twenty per centum of the members of the Cooperative, the chairman shall call a special meeting for the purposes to which the demand related.

Section 3. Notice: The Secretary shall give notice of the time and place of all meetings of members and of the purpose of all special meetings to the members personally or by mail to their last known address, as shown on the records of the Cooperative, not less than seven (7), nor more than thirty (30) days in advance of such meeting.

Section 4. Quorum: A quorum at any Annual or Special Meeting of the members shall not be less than a number of the members present, or represented by mailed ballot (for purpose of action on the subject of that mailed ballot), equaling twice the number of the Board of Directors. However, a lesser number may recess a meeting for a period not longer than thirty (30) days.

Section 5. Voting: Each Membership shall be entitled to one (1) vote and no more at all meetings of members. Voting by proxy shall not be allowed. All members shall be entitled to vote in the manner provided by the Wisconsin Statutes except that a spouse of a member present at the meeting may cast the vote of the member spouse in the absence of the spouse from the meeting. In the event of a dispute arising as to who may cast the vote for a jointly held membership, including one held jointly by husband and wife, such disputes shall be referred to a committee of elections, to be appointed by the Board of Directors for settlement.

Section 6, Plurality Rules: At all meetings of the members at which a quorum is present all elections shall be had and all questions decided by a vote of the plurality of the members present, except on those matters on which applicable law, the Articles of Incorporation or these Bylaws require a greater vote.

Section 7, Membership Voting Roll: To be eligible to vote, a qualified Person must be a member of the cooperative for no less than 30 days prior to the meeting at which the membership voting takes place. The Secretary of the Cooperative shall, at least fifteen (15) days prior to each meeting of the members of the Cooperative, make a complete list arranged in alphabetical order of the members entitled to vote at such a meeting. Such list shall be produced and kept open at the time and the place of each meeting and shall be subject to the inspection of any member during the time of the meeting.

Section 8, Order of Business: The latest edition of Roberts Rules of Order will be followed to the extent any matter is not addressed by the meeting rules established by the Rules Committee as provided below. The order of business at the annual meeting of the members of the Cooperative and so far as possible, at all other meetings of the members of the Cooperative, shall be as follows:

1. Call of the roll
2. Reading of the notice of the meeting, together with the proof of the due giving thereof
3. Presentation of unapproved minutes of previous meetings of the members of the Cooperative, and the taking of necessary action thereon
4. Presentation and consideration of and acting upon reports of officers, directors, and committee
5. Election of Directors
6. Unfinished business
7. New business
8. Adjournment

Section 9, Voting by Mail: At any regular or special meeting of members, the board may authorize that members may vote by mail. There shall be no voting by proxy. A vote-by-mail ballot and a stamped, self-addressed envelope marked "Official Ballot" will be forwarded to each member. The ballot shall only be valid if returned in the provided envelope with the member's signature on the envelope enclosing the ballot or on the ballot. Each member who elects to use the vote-by-mail ballot shall vote the same under procedures as herein prescribed:

- (a) No vote-by-mail ballot shall be valid unless received no later than 3:00 p.m. on the day before the scheduled day of the regular or special meeting at which it is to be voted;
- (b) No vote-by-mail ballot shall be valid unless the ballot designates the date of the particular meeting for which it is intended;
- (c) A vote-by-mail ballot of a corporate member may be signed by a designated person. Proof of such designation shall be in the form of a copy of the appropriate corporate resolution or excerpt from the official board minutes. Such proof of designation shall be included in the returned, mailed, ballot;
- (d) A member may not assign his or her vote-by-mail ballot;
- (e) The instructions accompanying the vote-by-mail ballot shall govern the validity of the ballots.

Section 10, Rules Committee: In any year when the board of directors deems it appropriate to do so, the board may appoint a Rules Committee, the majority of which shall be members who are not then incumbent directors. In appointing the Committee, the board shall specify the scope of the Committee's authority and responsibility, which may include any or all of the following: establishing rules to govern the conduct of the ensuing annual or other membership meeting, which rules may include a deadline for members to submit any advisory resolutions relating to the affairs of the Cooperative that they plan to present at the annual meeting; considering any proposed advisory resolutions that are timely submitted by members and, in consultation with representatives of the board and the chief executive officer, determining whether additional information should be presented to the membership to ensure a full airing of the issue and an informed decision by the membership on the matter; and reporting to the membership, including, if the Committee believes it appropriate to do so, making a recommendation to the membership concerning disposition of any such resolution that is submitted.

Article III. DIRECTORS

Section 1. How Elected: The directors shall be elected by the members of the Cooperative in the manner hereinafter in Section 3 of this Article provided at the annual meeting of the members, except that any vacancy in the Board of Directors happening after any regular annual election may be filled by the Board of Directors, such person so elected to hold office until the next scheduled election for that position. The Directors of the Cooperative shall apportion the geographical area served by the Cooperative into no less than seven (7) and no more than nine (9) districts, and one (1) director shall represent the members residing in that district in connection with matters brought before the Board of Directors. The directors shall examine the number, apportionment and boundaries of director districts from time to time to assure continued representation of the membership based on the aforementioned criteria. Each district shall have only one (1) director.

Section 2. Residence of Director: The primary residence of each director shall be connected to the lines of the Rock Energy Cooperative. If a director changes his or her primary residence off the lines of the Rock Energy Cooperative, the director shall be deemed to have resigned the directorship at the time of the director's moving.

Section 3. Terms and Election: Subject to the provisions in these Bylaws with respect to removal of directors, directors shall be elected to hold office for the term of three (3) years, or until their respective successors shall have been elected and shall have qualified. The terms shall be staggered so that at least two (2) directors' terms shall expire at each annual meeting. Except as otherwise provided herein, the election of the directors shall be by ballot and each voting member shall be entitled to cast one (1) vote for a candidate from each district with a seat open for election. The candidate for each district receiving the highest number of votes cast shall be declared elected. In the event there is only one nominee who is qualified and willing to run for election from a district, election for that position may be by unanimous consent, voice vote, or similar means without the need to cast written ballots.

Section 4. Director Nominations and Qualifications: The chairman shall appoint a nominating committee from the respective director districts who are scheduled for election for each annual meeting to prepare a slate of candidates from each district with a seat open for election. The committee slate of director nominations shall be included in the notice of the annual meeting. No person shall be eligible to become or remain a director of the Cooperative who is an employee, outside or independent contractor of the Cooperative, or who has within five (5) years preceding the date of the election been an employee, outside or independent contractor of the Cooperative. No person shall be eligible to become or remain a director of the Cooperative when employed in any way by or has a financial interest in a business that sells energy, services, or supplies to the Cooperative. No person shall be eligible to become or remain a director when employed by or has a financial interest in a competing enterprise. No person shall be eligible to become or remain a director when closely related to an incumbent director or current permanent employee. Whether by blood or through marriage, "closely related" shall be defined as a spouse, parent, child, sibling, grandchild, grandparent, aunt, uncle, nephew and niece, and any other family member or person residing in the same residence. Additional qualifications may be determined by cooperative policy.

Section 5. Removal: The members of the Cooperative shall have the power, by a majority vote, at any annual or special meeting, legally called, to remove any director for cause. Any director

convicted of a felony at anytime shall immediately upon learning of that fact be deemed ineligible to serve as director.

Section 6. Compensation and Indemnification: Directors as such shall not receive any stated salary for services. A fixed sum and expenses of attendance, if any, may be allowed for attendance of each meeting of the Board of Directors, or of any committee thereof, provided that nothing herein contained shall be construed to preclude any Director from serving the Cooperative in any other capacity and receiving compensation therefor. The Cooperative shall indemnify and save harmless from liability and defend any Director or Directors where such liability or claim arises from any act or omission by him or them performed on behalf or for the Cooperative, while acting in good faith. The Cooperative shall indemnify an officer or director, and may indemnify an employee or agent, against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with an action, suit or proceeding, or a threatened action suit or proceeding where such person is party or is threatened to be made a party by reason of the fact that he or she was a director, officer, employee or agent of the Cooperative, all as provided by law. 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 of Directors, or by independent legal counsel selected by the Board. Alternatively, 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 IV. MEETINGS OF DIRECTORS

Section 1. Regular Meetings: A regular meeting of the Board of Directors shall be held not more than twelve (12) times per calendar year and not less than nine (9) times per calendar year; at such intervals, time and place as the Board may determine. Such regular meetings may be held without notice other than such board decision fixing the time and place thereof.

Section 2. Special Meetings: Special meetings of the Board of Directors may be called by the Chairman or any three (3) directors. The Chairman or any three or more directors who shall, pursuant hereto, call a special meeting of the Board of Directors shall fix the time and place (which shall be within the county in which is located the principal place of business of the Cooperative) for the holding of any such special meeting of the Board of Directors called by them.

Section 3. Notice: Notice of the time, place, and purpose of any special meeting shall be given at least two (2) days previous thereto by written notice, delivered personally or mailed to the several directors at their last known address. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of such meeting, except in the event that a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 4. Quorum: A majority of the Board of Directors shall constitute a quorum for the transactions of business at any meeting of the Board of Directors; provided, that if less than a majority of the directors shall be present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 5. Majority Rule: 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.

Article V. OFFICERS

Section 1. Designation: The general officers of the Cooperative and their principal duties are as set forth in the Articles of Incorporation of the Cooperative. The directors may appoint such other officers as they may deem necessary and prescribe their duties.

Section 2. Elections and Terms: The general officers of the Cooperative shall be elected annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members of the Cooperative. The general officers of the Cooperative shall hold office until the next annual meeting of the Board of Directors and until their successors shall be elected and shall have qualified, unless removed as hereinafter provided.

Section 3. Removal: Any officer of the Cooperative may be removed at any time by a majority vote of the Board of Directors.

Section 4. Vacancies: Subject to the provisions of paragraph numbered three (3) of this Article V, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. 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 as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him. The Chief Executive Officer may be authorized to superintend the care, management, and use of all property of the Cooperative and subject to control by the Board of Directors, hire and discharge employees, purchase property for the Cooperative in the regular course of business and in general manage the business and affairs of the Cooperative. The job title of the Chief Executive Officer shall be at the discretion of the Board of Directors.

Section 6. Bonds: The Board of Directors shall require the Treasurer and the Chief Executive Officer and any other officer or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bonds for the faithful discharge of their duties, in such form and containing such terms and conditions, and with such surety or sureties as the Board of Directors shall determine.

Section 7. Salaries: The salaries of the officers, if any, of the Cooperative shall be fixed from time to time by the members, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Cooperative. The salaries, duties, and terms of employment of the Chief Executive Officer and of all other employees of the Cooperative shall be fixed and determined by the Board of Directors.

Section 8. 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 VI.
DEPOSITS, CHECKS, CONTRACTS,
AND OTHER INSTRUMENTS

Section 1. Negotiable Instruments: How Executed: All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers of the Cooperative or by the Chief Executive Officer, if authorized so to do by the Board of Directors, and in such manner as shall from time to time be determined by a resolution of the Board of Directors.

Section 2. Depository: All funds 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 deem prudent.

Section 3. Execution of Contract and other Instruments: The Board of Directors may authorize any officer or officers, employee or employees, 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 4. Publications: 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 appropriate membership publications. The expense of such subscriptions for all members, shall be charged in determining the aggregate of capital deposited by members for electric service under Section 2 of Article IX in the same manner as are charged other appropriate expenses of the Cooperative.

Article VII.
MEMBERSHIP CERTIFICATES

If issued, certificates representing memberships in the Cooperative shall be in such form as shall be determined by the Board of Directors. Each certificate that may be issued shall state:

That no dividends shall be payable upon the issuing price of membership in the Cooperative, provided, however, that this limitation shall not prohibit the payment of patronage dividends except as herein and in the Articles provided;

That all members shall have the same rights, privileges, and duties, including the right to vote; and

That no membership shall be transferable and all certificates thereof shall be surrendered to the Cooperative when and if the member to whom such certificate shall have been issued shall become ineligible to membership or upon death, expulsion, or withdrawal of the member holding such certificate.

Article VIII.
FISCAL YEAR

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

Article IX.
EARNINGS – DISTRIBUTION

Section 1. Cooperative Plan: The conduct of the business of the Cooperative shall be upon the cooperative plan. Consistent with that intent, the Cooperative shall be operated on a cost basis for the mutual benefit of its members. No interest or dividends shall be paid on any capital of the Cooperative.

Section 2. Amount Credited:

The Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of energy to patrons in excess of operating costs and expenses properly chargeable against the furnishing of energy to patrons. The Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of credit credited to the account of the member. The credits shall be determined as the amount collected in excess of costs and any necessary reserves and then allocated equitably among the members based on the participation of each after giving effect to any classification of business formula. 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, as determined by the Cooperative, 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 classifications 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. All such amounts credited to the capital account of any member shall have the same legal status as though it had been paid to the member in cash in pursuance of a legal obligation to do so, and the member had then furnished the Cooperative a corresponding amount of capital. The Directors may from time to time, as conditions warrant, repay to the members the capital credits standing to their credit according to such plan or priority as the Board of Directors shall determine. Notwithstanding anything to the contrary in this Article, in any year the board of directors may, in its discretion, credit to unallocated surplus or reserves of the Cooperative a portion of the net proceeds not exceeding the amount of margins from any subsidiaries of the Cooperative and other non-operating margins of the Cooperative, but not including patronage capital from cooperative lenders.

Section 3. Educational Fund: Be it resolved that there be and hereby is established by the Board of Directors a fund to be known as the Educational Fund, the amount thereof shall at no time exceed 5% of net proceeds of the revenues of the Cooperative, as defined by Section 185.45, Wisconsin Statutes. Said fund shall be invested in such investments as the Directors, through its finance committee may determine. The income therefrom, and such part of the principal as necessary from time to time, shall be used in teaching and promoting cooperative organization and principals.

Section 4. Capital Retirement at Death or Cessation: Notwithstanding any provision of these Bylaws, the Board of Directors, at its discretion and at any time after (1) the death of any single patron who was a natural person or (2) the death of one of the owners of a joint account among natural persons or (3) cessation of legal existence of a member without a successor business entity (as would be determined for Wisconsin Unemployment contribution purpose) may retire all or any portion of capital so credited to the member, upon such terms and conditions as the Board acting under policies of general application to situations of like kind, and such member's

legal representative shall agree upon; PROVIDED, however, that the financial condition of the Cooperative will not be thereby impaired.

Section 5. Assignment of Patronage Capital: Except as provided in Section 6 hereof, capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction 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 6. 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 the member's estate, heirs, or surviving joint members.

Section 7. Forfeiture of Unclaimed Funds. The Board of Directors, in its discretion, may effect the forfeiture of unclaimed patronage capital retirements or other funds, as permitted by applicable law.

Article X.
DISPOSITION OF PROPERTY, MERGER, AND
PROCEDURE FOR SALE OF ALL OR SUBSTANTIALLY
ALL OF THE COOPERATIVE'S PROPERTY

Section 1. Disposition of Property in General: The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or what in the judgment of the Board of Directors constitutes any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a 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 encumbrances 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 States 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, 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.

Section 2. Merger: This Cooperative may merge or consolidate with one or more other electric cooperatives upon compliance with the provisions of law relating thereto. If the other

cooperative or cooperatives with which this Cooperative proposes to merge or consolidate is or are electric cooperatives organized and existing under Chapter 185 of the Wisconsin Statutes, or is or are an electric cooperative or electric cooperatives organized under a not for profit laws of another state, and such other cooperatives have been engaged in producing or furnishing electric power to its or their members at cost and without profit for at least two years prior to such merger or consolidation, an affirmative vote of a majority of members voting thereon shall constitute approval of the plan of merger or consolidation. Likewise, if this Cooperative proposes to merge or consolidate with an electric cooperative which is an entity resulting from merger or consolidation of other electric cooperatives meeting the qualifications set forth above, an affirmative vote of a majority of members voting thereon shall constitute approval of the plan of merger or consolidation. If the proposed merger or consolidation is with one or more organizations not meeting the foregoing qualifications, approval of the plan of merger or consolidation shall require the affirmative vote of not less than two-thirds of all members of the Cooperative.

Section 3. Procedure for the Sale of All or Substantially All of the Cooperative Property: If at any time the Cooperative shall receive an offer to buy, lease, transfer to or take by assignment, all or substantially all of its property from a person or organization which is other than an electric cooperative organized under Chapter 185 of the Wisconsin Statutes which has been engaged in producing or furnishing electric power to its members at cost and without profit for at least two years prior thereto, or other than an entity resulting from the merger or consolidation of electric cooperatives meeting the foregoing qualifications, it shall be the duty of the Board of Directors, and it is authorized to determine, in its sole discretion, whether or not such offer shall be submitted to the Cooperative membership for vote. The Board of Directors shall base its decision on what it considers to be in the best interest of the cooperative and its members. Among other factors, it shall consider what it believes would be the effect of a sale, lease, transfer or assignment on the dependability and adequacy of service necessary to meet the present and future needs of its members and the rates to be charged therefor. If the Board of Directors shall determine that such offer shall be submitted to the membership it shall first adopt a resolution to that effect.

Section 4. Property Interest of Members Upon Dissolution: Upon dissolution, after: (1) All debts and liabilities of the Cooperative shall have been paid; (2) All capital furnished through patronage shall be retired as provided in these Bylaws; and (3) All membership fees shall have been repaid, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage capital credited to each bears to the total patronage capital credited to all such members and such former members determined immediately prior to the final retirements of patronage capital described above, subject to and in accordance with such classifications of business formulas as may have been employed in allocating patronage capital to such members.

Article XI.

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 XII.
AMENDMENTS

Except for Article X, Section 1, these Bylaws may be altered, amended, or repealed by a majority vote of the members of the Cooperative present at any annual or special meeting legally held; provided, however, that notice of such proposed alteration, amendment, or repeal shall have been contained in the notice of such meeting. The voting requirement in Article X, Section 1 may only be altered, amended, or repealed by an affirmative vote of not less than two-thirds (2/3) of all members of the cooperative.