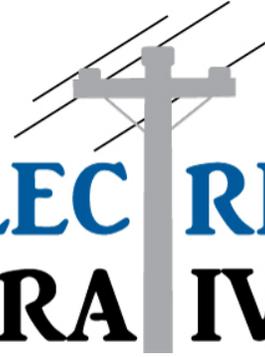




**JACKSONELECTRIC  
COOPERATIVE**



Your Touchstone Energy<sup>®</sup> Cooperative



# Bylaws

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# Restated Articles of Incorporation

Revised March 12, 2019

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# JACKSON ELECTRIC COOPERATIVE BYLAWS

## ARTICLE I Members

**Section 1. Qualifications and Obligations.** Any person, firm, corporation or body politic may become a member in Jackson Electric Cooperative (JEC) by:

- (a) Agreeing to purchase from JEC electric energy or, if not connected to JEC's electric distribution system, the other services that the board of directors determines to offer on a membership basis as hereinafter specified; and
- (b) Agreeing to comply with and be bound by the articles of incorporation of JEC and these bylaws and any amendment thereto and such policies, rules and regulations as may from time to time be adopted by the board of directors.

No person, firm, corporation or body politic may own more than one (1) membership in JEC.

An application for membership of any person who is legally married shall automatically be deemed and become an application for membership by both spouses as joint members without further action of either spouse unless at the time of application for membership either spouse otherwise directs JEC in writing. The subsequent legal marriage of any existing member shall automatically be deemed and become a joint membership without further action of either spouse unless within 30 days after the date of marriage, either spouse otherwise directs JEC in writing. Immediate family members other than spouses, such as parent/child, siblings, etc. may also apply for a joint membership, provided such joint members likewise comply with the provisions above. Such joint membership shall be limited to two immediate family members.

**Section 1.05. Membership Classes.** Membership in JEC shall be divided into two classes, voting members and non-voting patrons, determined as follows:

- (a) All members subscribing to receive electric energy shall be voting members, with one vote per membership, as provided herein. In addition, such members shall have the benefit of all rights and privileges as established by these bylaws and the board of directors.
- (b) Patrons subscribing to receive other products or services shall be afforded such membership status as the board of directors may by policy establish.
- (c) Unless otherwise specified herein, the reference to "member" or "members" shall mean voting members, with regard to all rights, privileges and actions to be taken by members based upon their participation in the decision-making process.

**Section 1.1. Nondiscrimination.** Membership in JEC shall be upon the basis of the following principles:

- (a) The extension of the privilege of membership on an area coverage basis; and

- (b) Open membership without discrimination within the area or territory within which JEC has undertaken to render services to its members.

**Section 1.2. Retention of Cooperative Status.** Nothing contained herein shall be construed to require JEC to render service at any time to any person who has not applied for membership.

**Section 2. Purchase of Electric Energy.** Each member who is or desires to be connected to JEC's electric distribution system shall, as soon as electric energy is available, obtain from JEC all electric energy purchased on the premises specified in his 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 JEC facilities, shall be subject to appropriate regulations as shall be fixed from time to time by JEC. 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 in these Bylaws. Each member shall pay to JEC such minimum amount regardless of the amount of energy as shall be fixed by the board of directors from time to time. Each member shall also pay all amounts owed by him to JEC as and when the same shall become due and payable.

**Section 3. Non-Liability for Debts of JEC.** The private property of the members of JEC shall be exempt from execution for the debts of JEC and no member shall be individually liable or responsible for any debts or liabilities of JEC.

**Section 4. Expulsion of Members.** The board of directors of JEC may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of the articles of incorporation of JEC or these bylaws or any rules or regulations adopted from time to time by the board of directors. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. Reinstatement by action of the members shall be final with respect to the specific instance of non-compliance or violation that gave rise to the board's action.

**Section 5. Withdrawal of Membership.** Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to JEC and upon compliance with such terms and conditions as the board of directors may prescribe.

**Section 6. Transfer and Termination of Membership.**

- (a) Membership in JEC shall not be transferable, except as hereinafter otherwise provided. Upon the death, cessation of existence, expulsion or withdrawal or disconnection of service of a member without intention of reconnection within one year, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release the member from the debts or liabilities of such member to JEC.
- (b) A membership may be transferred by a member to himself or herself and his or her spouse or other joint member, as the case may be, upon the written request of the joint members. Requests for a transfer of a corporate, political or other non-individual membership shall be made by the designated and authorized agent of

such corporation, political body or other business entity. Any transfer hereunder shall be noted on the books of JEC.

- (c) When a membership is held jointly, upon the death of either joint member, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to JEC.

## ARTICLE II Meetings of Members

**Section 1. Annual Meeting.** The Annual Meeting of the members shall be held once each year at such place within one of the counties served by JEC, and at such time, as shall be designated by the board of directors in the Notice of Meeting, for the purpose of passing upon reports covering the previous calendar year, ratifying the newly elected directors, and transacting such other business as may come before the meeting. Failure to hold the Annual Meeting shall not cause a forfeiture or a dissolution of JEC.

**Section 2. Special Meetings.** Special meetings of the members may be called by the President or by a majority of the board of directors or upon a written request signed by at least twenty per cent (20%) of all the members, and it shall thereupon be the duty of the President to call such meeting and to cause notice of such meeting to be given as hereafter provided. Special meetings of the members may be held at any place within one of the counties served by JEC in the State of Wisconsin, specified in the notice of the special meeting.

**Section 3. Notice of Members' Meeting.** Written, printed or, to the extent allowed by law, electronic 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, by mail, or electronically posted to the last known e-mail address of a member, by or at the direction of the President to each member. If mailed, such notice shall be deemed to be delivered when it is deposited or a newsletter or other publication of JEC or of an affiliated organization which includes the notice is deposited in the United States mail, addressed to the member at his address as it appears on the records of JEC, with postage thereon prepaid. If notice is given electronically, the date of delivery shall be the date of posting/transmitting such notice to the last known e-mail address of the member. Proof of such posting/transmission shall be kept by JEC. 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 presence of 50 members at any annual or special meeting of the members shall constitute a quorum. The presence of either or both persons holding a joint membership shall constitute the presence of one member.

**Section 5. Voting.** Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at any meeting of the members. If a member is qualified to vote, but is provided services in more than one district, the member may only vote in only one such district. If a member receiving service in more than one district has his or her residence (as may be defined by the board) in one of those districts, he or she may only vote in that district. If the member's residence is not in any of those districts, he or she may elect which district to vote in,

however, the member may not change that designation unless and until he or she no longer receives service in that district. At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of the majority of the members voting thereon at such meeting in person, except as otherwise provided by law, the articles of incorporation of JEC, or these bylaws. Two persons holding a joint membership shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

**Section 6. Order of Business.** The order of business at annual and other meetings of the members shall be as set by the board of directors, unless modified by the affirmative vote of at least two-thirds (2/3) of the members present. All other procedural matters at meetings of the members not addressed by the meeting rules established by the board shall be governed by the latest edition of Roberts Rules of Order Newly Revised.

**Section 7. Annual Meeting Rules and Resolutions.** The board of directors shall establish rules to govern the conduct of that year's annual meeting. The rules shall include a deadline for members to submit any advisory resolutions relating to the affairs of JEC that they plan to present at the annual meeting, and that deadline shall be communicated to the membership. The board shall also have responsibility for considering any proposed advisory resolutions that are timely submitted by members. In consultation with the general manager/CEO, the board shall determine 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. The board in its report to the membership may make a recommendation concerning disposition of any such resolution.

### ARTICLE III Directors and Districts

**Section 1. General Powers.** The business and affairs of JEC shall be managed under the direction of a board of nine (9) directors which shall exercise all the powers of JEC except such as are by law or by the articles of incorporation of JEC or by these bylaws conferred upon or reserved to the members.

**Section 2. Districts.** The area served by JEC shall be divided into a number of districts equal to the number of directors of JEC. Each district shall be represented on the board of directors by one director elected by the members of said district as hereinafter provided. It shall be the duty of the board of directors to re-district whenever established districts fail to assure reasonably equal representation to all members, giving due regard for natural or political boundaries and communities of interest. When there is a question whether the districts continue to meet that objective, the President shall appoint a committee to study the issue. The committee's recommendation shall be reported to the board, and the committee's recommendation and any board action taken based on that recommendation shall be reported to the membership at the next annual meeting. Any re-districting approved by the board of directors may be modified on a prospective basis by the members at that next membership meeting, however, no change in the boundaries shall disqualify any director from completing his or her then current term.

**Section 3. Tenure and Qualifications.**

- (a) **Tenure.** Directors shall be elected for a three-year term commencing upon the ratification of the election at the Annual Meeting of the members, as required below. Except as otherwise provided herein, elections for each director position shall be held every three years.

- (b) **Qualifications.** No member shall be eligible to become or remain a director or to hold any position of trust in JEC who:
- (1) does not have the capacity to enter into legally binding contracts, or
  - (2) is not a bona fide resident in the area served by JEC, and of the particular district which he or she represents, or
  - (3) is in any way employed by or financially interested in
    - (a) a competing enterprise, or
    - (b) a business selling electric energy or supplies to JEC, or
  - (4) is an employee of JEC, or
  - (5) has any form of pending litigation which is, in any way, adverse to the interest of JEC, had participated in litigation or had some form of adversarial claim against JEC within ten years of nomination, election or appointment, or is likely to have an adversarial interest, claim or litigation against JEC during the term of his or her director position, or
  - (6) while serving as a director or at any time within ten years preceding his or her nomination, election, or appointment was an employee of JEC, or
  - (7) while serving as a director, or at anytime within 15 years preceding his or her nomination, election or appointment, was convicted, or completed a sentence, probation or parole arising from conviction, of a felony or other offense involving dishonesty or breach of trust.

When a membership is held jointly, either joint member, but not both, shall be eligible to be a director, provided the candidate meets the qualifications set forth in (1) through (7), above, and provided further that the other joint member meets the qualifications in (3) through (7), above. When a membership is held by a corporation, partnership, or limited liability company, any one (but not more than one) of the officers, partners, or members shall be eligible, provided the candidate meets the qualifications set forth in (1) through (7), above, and provided further that all the officers, partners, or members meet the qualifications in (3) through (7), above.

Nothing in this section contained shall be construed to preclude any member from serving as a director or from holding any position of trust in JEC because such member is an incumbent of or candidate for the office of town chairman or supervisors or because such member is also a member or director of any other cooperative from which JEC purchases or may purchase electric energy, supplies or services, not shall anything in this section contained by deemed or construed to affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

- c) **Disqualification.** Upon the establishment of the fact that any person being considered for or already holding the position of director may lack eligibility to become or remain a director, it shall be the duty of the board of directors, upon reasonable notice to the person whose eligibility is in question, to hold a hearing on such matter. Following such hearing, the board of 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 board of directors

determines 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 board of directors determines by a majority vote that a person who is already a director is ineligible to remain a director, then that office of director shall forthwith become vacant and the board of directors shall fill the vacancy pursuant to Article III, Section 7.

#### **Section 4. Nomination and Election of Directors.**

- a) **Notice.** At least one hundred fifty (150) days before the annual meeting, the Secretary shall post at the principal office of the cooperative and shall publish once in the newsletter or other publication of the cooperative or an affiliated organization, a list of each position of the board of directors which is expiring or which will otherwise have a vacancy, the district from which each director is to be elected and instruction for filing a nominating petition.
- b) **District Meetings.** The board of directors of JEC shall call for a district meeting each year in each district for which a director is to be elected that year for the purpose of electing a director to represent each such district and for consideration of such other business as may come before that district. Such district meetings shall take place no more than ninety (90) days and at least thirty (30) days prior to the annual meeting of the members. In scheduling each such district meeting, the board of directors shall take into account and make reasonable efforts to accommodate the scheduling request of any incumbent director for such district with respect to the time, date and location of the district meeting.
- c) **Nominations.** Nominations for candidates for director to represent each district shall be made by petition signed by not less than ten (10) members eligible to vote in the district to be represented by the candidate and delivered to the principal office of JEC at least thirty (30) days prior to the district meeting. Nominations from the floor at the district meetings will not be permitted unless there is no qualified nominee by petition who is able and willing to serve as a director.
- d) **District Elections.** Election shall be made by secret written ballot. If three (3) or more persons are nominated for the position of director in any district, a preliminary vote shall be taken, and the two candidates receiving the greatest number of votes shall be included in the final election. In case of a tie in the preliminary vote between the candidates receiving the highest or second highest vote total, a second preliminary vote shall be taken. After the second preliminary vote, if there is still a tie, the tie shall be broken by the toss of a coin, or by playing odd-man-out if the tie is between more than two candidates, which shall be conducted by a non-candidate. In the case of a tie in the final election, a second vote shall be taken. After the second vote in the final election, if there is still a tie, the tie shall be broken by the toss of a coin, which shall be conducted by a non-candidate.
- e) **Ratification.** All directors elected at a district meeting shall be ratified by the members at the next Annual Meeting of said members. No director shall be seated or shall act in any capacity until his or her election to the board has been so ratified, except in the case of appointment by the board of directors, as provided in Section 7, below. Each director's term shall commence upon ratification.

## **Section 5. District Meetings.**

- (a) **Meetings.** In addition to the meeting provided for in Section 2, the board of directors may call such other district meetings as may be necessary or advisable. In scheduling any such district meeting, the board of directors shall take into account and make reasonable efforts to accommodate the scheduling request of the director for such district with respect to the time, date and location of the district meeting.
- (b) **Quorum for District Meetings.** Those members present at a District Meeting shall constitute a quorum.
- (c) **Business for District Meetings.** Business for consideration at a district meeting may include reports by directors of the districts and management of JEC and discussion of same and such matters as the board of directors may refer to the district for action.

**Section 6. Removal of Directors by Members.** Any member may bring charges against a director by filing them in writing with the Secretary together with a petition signed by twenty per centum (20%) of the members of the district which the director represents, requesting the removal of the director in question, and it shall be voted upon at a special district meeting called for the purpose of considering the petition unless the regular district meeting is scheduled within 120 days of the filing of the petition (in which case the regular nomination and election process for the position shall be followed and no hearing on the petition need be held). The director against whom the charges have been brought shall be informed in writing of the charges as soon as practicable prior to the district meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity. If the director is removed by action of the members at the district meeting, the members in attendance at the meeting may fill the vacancy for the remainder of the term according to the nomination and election procedures set forth in this Article, without requirement for ratification at the annual meeting, or, if they fail to do so, the board of directors shall fill the vacancy pursuant to Article III, Section 7.

**Section 7. Vacancies.** Subject to the provisions of these bylaws with respect to the removal of directors by members, any vacancy occurring in the board of directors shall be filled by a majority vote of the remaining directors. A director appointed by the board shall serve until the end of the term of the vacancy being filled.

**Section 8. Compensation.** Directors as such shall not receive any salary for their services, but by resolution of the board of directors a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting (regular or special) of the board of directors, for necessary attendance as a member of the board of directors of any affiliated organization where such attendance is not compensated by the affiliated organization, for attendance at electric cooperative conventions or educational programs, or for attendance as a necessary witness at any legal proceeding for JEC, such expenses for attendance to include mileage, meals, lodging and necessary incidentals. Except in emergencies, no director shall receive compensation for serving JEC in any other capacity, nor shall any close relative of a director receive compensation for serving JEC, unless such compensation shall be specifically authorized by a vote of the members.

**Section 9. Policies, Rules and Regulations.** The board of directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation of JEC or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of JEC.

**Section 10. Accounting System and Reports.** The board of directors shall cause to be established and maintained a complete system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be required by JEC's regulators or lenders. The board of directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of JEC as of the end of such fiscal year. Such audit reports shall be submitted to the members at the following annual meeting.

## ARTICLE IV Meetings of Directors

**Section 1. Regular Meetings.** A reorganizational meeting of the board of directors shall be held without notice other than by this bylaw, 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 in Jackson County, Wisconsin, as the board of directors may provide by policy. Such regular monthly meetings may be held without notice other than such policy fixing the time and place thereof.

**Section 2. Special Meetings.** Special meetings of the board of directors may be called by the President or 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 President or directors calling such special meeting shall fix the time and place for the holding of the meeting.

**Section 3. Notice.** Notice of the time, place and purpose of any special meeting of the board of directors shall be given by written notice, delivered personally or by mail, or sent electronically, to each director at his last known mailing address or e-mail address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given electronically, the date of delivery shall be the date of posting/transmitting such notice to the last known e-mail address of the director. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case 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 transaction of business at any meeting of the board of directors, provided that if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

**Section 5. Manner of Acting.** The act of the majority of the directors present at the meeting at which a quorum is present shall be the act of the board of directors.

**ARTICLE V**  
**Officers of the Board**

**Section 1. Number.** The officers of JEC shall be a President, Vice President, Secretary and Treasurer. 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, voice vote or other suitable means, annually by and from the board of directors at the first reorganizational meeting of the board of directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. 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 his successor shall have been duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.

**Section 3. Removal.** Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of JEC will be served thereby.

**Section 4. Vacancies.** Except as otherwise provided in these bylaws, a vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

**Section 5. President.** The President shall:

- (a) be the principal executive officer of JEC and shall preside at all meetings of the members and of the board of directors; except as otherwise provide by these bylaws.
- (b) sign, with the Secretary, all documents the issue of which shall have been authorized by the board of directors, including but not limited to any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments, except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of JEC, or shall be required by law to be otherwise signed or executed; and
- (c) in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the board of directors from time to time.

**Section 6. Vice President.** In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned to him by the board of directors.

**Section 7. Secretary.** The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in books provided for that purpose or overseeing the recording and keeping of such minutes by a recording secretary designated by the board;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;

- (c) the safekeeping of the corporate books and records and the seal of JEC and affixing the seal of JEC to all documents, the execution of which on behalf of JEC under its seal is duly authorized in accordance with the provisions of these bylaws.
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the articles of incorporation and bylaws of JEC containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of JEC, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- (f) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the board.

**Section 8. Treasurer.** The Treasurer shall be responsible for:

- (a) overseeing custody of all funds and securities of JEC;
- (b) overseeing the receipt of and the issuance of receipts for all monies due and payable to JEC and for the deposit of all such monies in the name of JEC in such financial institutions as shall be selected in accordance with the provisions of these bylaws; and
- (c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the board.

**Section 9. General Manager/CEO.** The board of directors may appoint a General Manager/CEO in its discretion. The General Manager/CEO 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.

**Section 10. Bond of Officers.** Any officer of JEC 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 of directors in its discretion may also require any other officer, agent or employee of JEC to be bonded in such amount and with such surety as it shall determine.

**Section 11. Compensation.** The compensation, if any, of any officer or agent of JEC, when that officer or agent is also a director or close relative of a director, shall be determined by the members at an annual or special meeting, as provided elsewhere in these bylaws. The powers, duties and compensation of any other officers, agents and employees shall be fixed by the board of directors.

**Section 12. Reports.** The officers of JEC shall submit at each annual meeting of the members reports covering the business of JEC for the previous calendar year and showing the condition of JEC at the close of such calendar year.

## ARTICLE VI Contracts, Checks, Deposits

**Section 1. Contracts.** Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents, employee or employees of JEC to enter into any contract or execute and deliver any instrument in the name of and on behalf of JEC, and such authority may be general or continued to specific instances.

**Section 2. Checks, Drafts, Etc.** 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 JEC shall be signed by such officer or officers, agent or agents, employee or employees of JEC and in such manner as shall from time to time be determined by resolution of the board of directors.

**Section 3. Deposits.** All funds of JEC shall be deposited from time to time to the credit of JEC in such bank or banks or in such other financial institutions or securities as the board of directors may select. Nothing herein shall be deemed to prohibit the board of directors from extending loans to members for proper purposes in the interest of JEC.

## ARTICLE VII Revenues and Receipts

**Section 1. Interests or Dividends on Capital Prohibited.** JEC 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 JEC on any capital furnished by its patrons.

**Section 2. Patronage Capital in Connection with Furnishing Electric Energy.** In the furnishing of electric energy JEC's operation shall be so conducted that all patrons, alike, will through their patronage furnish capital for JEC. In order to induce patronage and to assure that JEC will operate on a non-profit basis JEC is obligated to 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 amounts in excess of operating costs and expenses at the moments of receipt by JEC are received with the understanding that they are furnished by the patrons, as capital. JEC is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of JEC shall be set up and 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 JEC shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his 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 JEC corresponding amounts for capital.

Except as provided in Section 3 of this Article, all other amounts received by JEC from its operations in excess of costs and expenses shall insofar as permitted by law, 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 on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

The board of directors may classify the business or service rendered by JEC with its patrons into appropriate classes or departments of business or patronage; which classification relates to the cost of rendering such service or doing business with the rate schedule applied for such service or business rendered.

The board of directors may allocate capital credits according to the class of members served based on the cost of service rendered and the rate of return received and paid to JEC for such service.

Determination of classes of members may be made by the board of directors who shall give notice thereof to the members affected by letter directed to the last known address of the member. Any appeal from such classifications by a member must be made to the membership at the next annual meeting of the membership following the mailing of such notice. The determination of classes by the board of directors shall be final if no appeal is made by the member within thirty (30) days after the mailing of such notice.

In the event an appeal is perfected to the membership their decision at the next annual meeting shall be final.

In the event of dissolution or liquidation of JEC, after all outstanding indebtedness of JEC shall have been paid, outstanding capital credits shall be retired without priority on a pro rata 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 JEC will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. After March 31, 2001, 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.

Capital credited to the account of each patron shall be assigned only on the books of JEC 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 JEC unless the board of directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these bylaws, the board of directors, at its discretion, shall have the power at any time upon the death of any patron if the legal representative of his estate or his heirs shall request in writing that the capital credited to any such patron be retired under the provisions of these bylaws, to retire capital credited 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 or his heirs shall agree upon; provided, however, that the financial condition of JEC will not be impaired thereby.

Any distribution of proceeds or redemption or retirement of capital which remains unclaimed three (3) years after the date authorized for retirement or payment in cash or other property may be forfeited by the board and used as a fund for cooperative education. Any amounts forfeited may revert to JEC for exclusive use in cooperative education, if, at least six (6) months prior to the declared date of forfeiture, notice that such payment is available has been mailed to the last known address of the person shown by the records to be entitled thereto, or if the address is unknown, is published under Section 185.03 Wisconsin Statutes.

**Section 3. Patronage Refunds in Connection with Furnishing Other Service.** JEC shall account separately for the costs and receipts from its sale of goods and services unrelated to its

provision of electric service. In the event that JEC should, in the judgment of the board of directors, engage to a substantial extent in the business of furnishing goods or services other than electric service, all amounts received or 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 allocated and distributed according to policies established by the board of directors.

**Section 4. Unallocated Reserves.** Notwithstanding anything to the contrary in this Article, the board of directors, in its discretion, may in any year credit to unallocated surplus or reserves of JEC a portion of the net proceeds not exceeding the amount of margins from any subsidiaries of JEC and other non-operating margins, but not including patronage capital from JEC's wholesale power supplier or cooperative lenders.

**Section 5. Losses: Lien and Set Off.**

- (1) Losses: In the event the expenses of JEC in the furnishing of any goods or services should in any year exceed the receipts therefor the resulting deficit shall not be charged to the individual patrons furnishing such receipts during such year but shall be reflected in the determination of the book value of any capital credits upon their retirement or upon dissolution of JEC as heretofore provided. However, the board of directors shall apply non-operating margins to the writing off or discharge of losses of deficits before making any other allocation thereof.
- (2) Lien and Set Off: JEC shall have a continuing lien against the patronage capital allocated and credited to any patron for any indebtedness due and owing from such patron to JEC and such indebtedness to the extent of such capital so allocated and credited upon which JEC has a lien shall not be extinguished by bankruptcy of said patron or lapse of time, but shall be set-off against any capital allocated and credited to said patron in any retirement thereof made hereunder to said patron or to his estate or heirs or surviving joint member. The patron shall execute such documents as JEC may request to create and preserve this security interest, and the patron authorizes the Cooperative to perfect this security interest by filing a financing statement.

**Section 6. Subscription to Wisconsin Energy Cooperative News.** The board of directors shall be empowered and authorized on behalf of the individual members of this cooperative to subscribe to the Wisconsin Energy Cooperative News and to pay the annual subscription rate per member for said publication in the same manner as they would any other expense of JEC.

**Section 7. Contract.** The patrons of JEC, by dealing with JEC, acknowledge that the terms and provisions of the articles of incorporation and bylaws and of the policies, rules and regulations adopted by the board of directors shall constitute and be a contract between JEC and each patron, and both JEC and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this section of the bylaws shall be called to the attention of each patron of JEC by posting in a conspicuous place in JEC's office.

ARTICLE VIII  
**Dispute Resolution**

Any and all disputes, claims or controversies arising from or related in any way to JEC's provision of electric 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 JEC, each patron, member or non-member alike, and JEC 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 IX  
**Waiver of Notice**

Any member or director may waive, in writing, any notice of meetings required to be given by these bylaws.

ARTICLE X  
**Disposition of Property**

JEC may not sell, lease or otherwise dispose of all or what, in the board's judgment, is any substantial portion of its property, unless such sale, lease or other disposition is authorized at a meeting of the members by the affirmative vote of not less than two-thirds (2/3) of all of the members of JEC, and unless notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting along with an absentee ballot for the use of any member unable to attend the meeting; provided, however, that merger or consolidation with another cooperative organized for and primarily engaged in furnishing electric power and energy to its members may be approved by a two-thirds (2/3) majority of member votes cast at a meeting of the membership duly noticed and held (including absentee ballots); and provided, further, that the board of directors, without further authorization by the members other than this Article, shall have full power and authority to borrow money and to authorize the execution and delivery of mortgages upon, or the pledging or encumbering of, any of all of the property, assets, and rights of JEC, whether acquired or to be acquired, all upon such terms and conditions as the board of directors shall determine, to secure any indebtedness of JEC. The required majorities set forth in this Article may not be amended by vote of less than that majority proposed to be amended.

ARTICLE XI  
**Fiscal Year**

The fiscal year of JEC shall begin on the first day of May of each year and end on the last day of April of the following year. However, because of JEC's business affiliations, other mandatory accounting practices may require that JEC provide budgets, audits, or other financial accounting on an annual basis with different starting and ending dates.

## ARTICLE XIII

### Seal

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

## ARTICLE XIII

### Indemnification of Officers, Directors and Employees

To the extent permitted by law, JEC 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 JEC 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 of 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. JEC may maintain insurance against this risk with coverage that may be broader than the scope of the indemnification obligation required under law or this bylaw.

## ARTICLE XIV

### Amendments

These bylaws may be altered, amended or repealed by a majority of these members of the Association voting in person at any annual or special meeting legally held; provided, however, that these bylaws shall not be altered, amended or repealed unless notice of such proposed alteration, amendment or repeal shall have been contained in the notice of such meeting.

## ARTICLE XV

### Miscellaneous

Wherever in these bylaws a noun, pronoun or adjective is stated in the masculine gender, the same shall be deemed to also include the feminine gender.

# **RESTATED ARTICLES OF INCORPORATION OF JACKSON ELECTRIC COOPERATIVE**

## **ARTICLE I Name and Location**

The name of this cooperative shall be Jackson Electric Cooperative, and its location and principal office shall be at N6868 County Road F, Black River Falls, Jackson County, Wisconsin 54615.

## **ARTICLE II Purposes**

The principal purpose for which JEC is formed is to furnish its members with electric power and energy on a non-profit, cooperative basis. JEC may also furnish other utility-type services, and engage in any activity within the purposes for which cooperatives may be organized under Wisconsin law, and all such activities shall be deemed within its purposes, subject to such express limitations as may be imposed under its bylaws.

## **ARTICLE III Duration**

The duration of JEC shall be perpetual.

## **ARTICLE IV Non-Stock and Member Classes**

JEC is organized without capital stock, and there shall be only one class of members with respect to voting rights.

## **ARTICLE V Basis of Distribution in the Event of Dissolution**

Upon dissolution, and after all debts and liabilities of JEC shall have been paid and all capital furnished through patronage shall have been retired as provided in the bylaws, the remaining property and assets of JEC shall be distributed among the members and former members, in proportion to the patronage capital each member or former member had on the books of JEC immediately preceding the final retirement thereof.

## **ARTICLE VI Directors and Officers**

The business and affairs of JEC shall be managed under the direction of a board of directors. The number, qualifications, term, and manner of election of directors shall be specified in the bylaws. The titles, authority, duties, and manner of election of the principal officers of JEC shall be as specified in the bylaws.

**ARTICLE VII**  
**Disposition of Property**

JEC may not sell, lease or otherwise dispose of all or what, in the board's judgment, is any substantial portion of its property, unless such sale, lease or other disposition is authorized at a meeting of the members by the affirmative vote of not less than two-thirds (2/3) of all of the members of JEC, and unless notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting along with an absentee ballot for the use of any member unable to attend the meeting; provided, however, that merger or consolidation with another cooperative organized for and primarily engaged in furnishing electric power and energy to its members may be approved by a two-thirds (2/3) majority of member votes cast at a meeting of the membership duly noticed and held (including absentee ballots); and provided, further, that the board of directors, without further authorization by the members other than this Article, shall have full power and authority to borrow money and to authorize the execution and delivery of mortgages upon, or the pledging or encumbering of, any or all of the property, assets, and rights of JEC, whether acquired or to be acquired, all upon such terms and conditions as the board of directors shall determine, to secure any indebtedness of JEC. The required majorities set forth in this Article may not be amended by vote of less than that majority proposed to be amended.

**ARTICLE VIII**  
**Amendments**

These Articles may be amended by a two-thirds (2/3) vote of the members of JEC voting at any annual or special meeting, provided that a statement of the nature of the amendment shall have been contained in the notice of such meetings.