

**AMENDED BYLAWS
OF
FREEBORN-MOWER COOPERATIVE SERVICES**

**ARTICLE I.
MEMBERS**

SECTION 1. Requirements for Membership

Any person, firm, association, corporation or body politic or subdivision thereof will become a member in the Cooperative by: (a) agreeing to purchase from the Cooperative the amount of electric energy or other selected services as specified in these Bylaws; and (b) agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative, these Bylaws and any amendments to the Articles and these Bylaws and such rules and regulations as may from time to time be adopted by the Board of Directors. A married couple may jointly become a member, provided the spouses comply jointly with the provisions of the above subdivisions (a) and (b) of this section. The Board of Directors, in its sole discretion, may establish different classes of membership to accommodate the business purposes of the Cooperative.

SECTION 2. Purchase of Electric Energy and Other Cooperative Services

(a) Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy, except for on-site generation as allowed by law, for use on the premises specified in the member's statement of membership, and shall pay therefore monthly 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 Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

(b) Additionally, members who subscribe to other cooperative services only or in addition to electric service, shall pay rates which shall from time to time be fixed by the Board of Directors.

(c) It is expressly understood that amounts paid for electric energy or other selected cooperative services in excess of the operating costs and expenses 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 the Cooperative such minimum amount per month regardless of the amount of electric energy or other cooperative services consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable.

(d) Each member shall make available to the Cooperative, without charge, a suitable site, as determined by the Cooperative, on which to place the Cooperative's physical facilities for the furnishing and metering of electric service to the member and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto at all reasonable times, for inspection, maintenance, replacement, relocation or repair thereof. To the extent practical and reasonable, the Cooperative shall construct its distribution lines near and parallel to roads, to the right-of-way of the railways, or along the division lines of lands, in order to avoid unnecessarily interfering with the use of the member's lands. As part of the consideration for electric service, each member shall agree not to interfere with, impair the operation of, or cause damage to such facilities, and shall use his or her best efforts to prevent others from doing so. In the event such facilities are interfered with, impaired in their operation or damaged by the member, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on the premises, or beyond the combination circuit breaker-meter base panel if such is owned and maintained by the Cooperative, except the Cooperative shall, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment.

(e) Member agrees to provide the Cooperative such easements as shall be reasonably required by the Cooperative for the purpose of providing and/or continuing electrical service to the member, extending service to other members and for the location of needed facilities for the Cooperative. Easements for providing or continuing electrical service to the member shall be provided by the member on lands owned or leased by the member at no cost. Easements necessary to extend service to other members and/or for the location of needed facilities shall be provided by the member on lands owned or leased by the member to the fullest extent consistent with the member's legal rights following the payment by the Cooperative of a reasonable fee, the amount of such fee to be determined by the Cooperative in its sole discretion using the following criteria set forth in this subsection 2(e). In determining the amount of the fee the Cooperative shall take into account the burden such easement is likely to impose on the member's land(s) and the member's reasonable use thereof, the diminution in value, if any, of the member's remaining land based upon the use it is then being put and the fees customarily paid in the area where the land is located for similar such easements. If the electric line and the associated facilities are located in a public or other dedicated right-of-way, or adjacent thereto, there shall be no fee necessary; however, the Cooperative shall be responsible for any damages done by the cooperative during construction. The easement shall provide for access for construction, repair and maintenance of such facilities as may be placed on, or under the land included in the easement. The Cooperative agrees to locate its facilities in a manner consistent with prudent utility practice and to the extent reasonable and practical so as to avoid unnecessarily interfering with the member's use of the member's property.

SECTION 3. Non-liability for Debts of the Cooperative

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

SECTION 4. Forfeiture of Membership

The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) of the directors thereof, expel any member and cause the member's membership to be forfeited if such member shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Cooperative or these Bylaws or any rules or regulations adopted from time to time by the Board of Directors, in which case the Cooperative shall make such refunds as required by law. The membership so forfeited shall be canceled by the Board of Directors. Any member so expelled and whose membership has been forfeited may be reinstated as a member by a vote of the members at any Annual or Special Meeting of the members. The action of the members with respect to any such reinstatement shall be final. Notwithstanding these provisions, the patronage capital previously allocated or allocable to the party shall not be forfeited other than to the extent necessary to offset unpaid debts or liabilities to the Cooperative.

SECTION 5. Withdrawal of Membership

Any member may withdraw from membership upon payment in full of all liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

SECTION 6. Transfer of Membership and Termination of Membership

(a) Upon the death, cessation of existence, expulsion, or withdrawal of a member, 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 the Cooperative.

(b) A membership may be transferred by a member to himself or herself and his or her spouse, as the case may be, jointly upon the written request of such member and compliance by the spouses jointly with the provisions of subdivisions (a) and (b) of Section 1 of this Article. Such transfer and joint membership shall be made and recorded on the books and records of the Cooperative.

(c) When a membership is held jointly as spouses, upon the death of either, such membership shall be paid at 50% of the patronage allocated according to Cooperative policy to the surviving spouse on a discounted basis. Upon the recording of such death on the books of the Cooperative, the membership shall be transferred to the name of such survivor, provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

SECTION 7. Removal of Directors, Officers, Chair and Vice Chairs

The members shall have the power to remove any director, officer, chair or vice chairs for cause. Any member may bring charges against an officer, director, chair or vice chairs by filing them in writing with the Secretary, together with a petition signed by ten per centum (10%) of the members, requesting the removal of the officer, director, chair or vice chairs in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. The director, officer, chair or vice chairs against whom such charges have been brought shall be informed in writing of the charges previous to the 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 a director, officer, chair or vice chair shall have the same opportunity.

ARTICLE II. MEETINGS AND ELECTION OF DIRECTORS

SECTION 1. Annual Meeting

The Annual Meeting of the members shall be held on a date, time and place, either in Freeborn County or Mower County in the State of Minnesota, fixed and determined by the Board of Directors not less than 30 days prior to such meeting. The Annual Meeting shall be held for the purposes of providing reports covering the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the Annual Meeting at the designated time shall not constitute a forfeiture or dissolution of the Cooperative.

SECTION 2. Notice of Annual Meeting

Notice of the Annual Meeting shall be given by the Secretary by publication in a legal newspaper published in the county of the principal place of business of the Cooperative and in Mower County in the State of Minnesota, or 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 at least two weeks before the date of the meeting, or by mailing notice thereof to each member personally at the person's last known post office address at least fifteen (15) days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership, notice given to either spouse shall be deemed notice to both joint members.

SECTION 3. Special Meetings of the Cooperative or of the District

Special meetings of the members of the Cooperative or of the District may be called by a majority of the Directors or upon a written petition signed by at least twenty per centum (20%) of all of the members of the Cooperative or of the District. Special meetings of the members of the Cooperative or of the District may be held at any place within one of the counties served by the Cooperative as designated by the directors and shall be specified in the notice of the Special Meeting.

SECTION 4. Notice of Special Meeting

It shall be the duty of the Chair to cause the Secretary to give notice of the time, place, and purpose of a Special Meeting, either by publication in a legal newspaper published or circulated in the counties where the Cooperative operates at least two (2) weeks previous to the date of such meeting or by mailing notice thereof to each and every member personally not less than fifteen (15) days previous to the date of such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. Such notice shall be issued within ten (10) days from and after the date of the presentation of the written petition mentioned in Section 3 of this Article II, and such Special Meeting shall be held within thirty (30) days from and after the date of the presentation of such petition. 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 Annual or Special Meeting. In case of a joint membership, notice given to either spouse shall be deemed notice to both joint members.

SECTION 5. Quorum

At least ten per cent (10%) of the total number of members present in person shall constitute a quorum for the transaction of business at all meetings of the members, so long as the total number of members does not exceed five hundred (500). In case the total number of members exceeds five hundred (500), not less than fifty (50) members, present in person, shall constitute a quorum for the transaction of business at all meetings of the members. If an insufficient number of members is present to constitute a quorum, a majority of the members present may adjourn the meeting without further notice. In case of a joint membership the presence at a meeting of either spouse, or both, shall be regarded as the presence of one member.

SECTION 6. Establishment of a Quorum

The attendance of a sufficient number of members to constitute a quorum at any meeting of the members shall be established by a registration of the members present at such meeting, which registration shall be verified by the Chairman and Secretary and shall be reported in the minutes of such meeting. In case of a joint membership, registration of either spouse, or both, shall be regarded as the registration of one member. In determining a quorum at a meeting, on a question submitted to a vote by mail, members present in person or represented by mail vote shall be counted.

SECTION 7. Voting

Each member shall be entitled to one (1) vote and no more, regardless of the number of services to which the member subscribes, upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon at such meeting in person, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these Bylaws. If spouses hold a joint membership they shall jointly be entitled to cast one (1) vote on behalf of the membership and no more upon each matter submitted to a vote at a meeting of the members. Unless the member has indicated otherwise in writing, the spouse of a member shall be entitled to vote on behalf of the member on any vote of the members. Mail voting and electronic voting is authorized for any vote concerning an election of Directors, or a change in the District Boundaries.

SECTION 8. Proxy Voting

There shall be no voting by proxy at any of the regular or special meetings of the members of this Cooperative.

SECTION 9. Nomination and Election of Directors

For each district in which a Board of Director position will be expiring, the Board of Directors shall determine a date for filing of applications by persons interested in serving as a Director. The Cooperative will give notice of such open position, the qualifications for membership on the Board of Directors, the district boundaries, the election process and the final date for filing, all in the Cooperative newsletters published for three consecutive months preceding the last date for filing applications to serve as a director for a term that is expiring. Any member of such district interested and qualified to serve as a Director may apply to be a Director-nominee by filing an application on forms available from the Cooperative. Such application must be filed in the office of the Cooperative by the date so indicated. After the period for filing applications has expired, persons may still be nominated for election as a Director by the filing of a petition. Following the expiration of the date for filing of applications, the Cooperative will post a notice in the succeeding Cooperative newsletter and will mail a notice to members within such district advising them of current applications and a final date to submit a signed petition for nomination as a Director. In order to become a nominee for director by petition, the petition must be signed by fifteen members of the district supporting the candidacy of a particular nominee and must be submitted to the Cooperative office by said final date.

If only one person has filed an application or been nominated in the petition process, such applicant or nominee shall be deemed elected.

If more than one person has filed an application or been nominated in the petition process, ballots will be mailed or sent electronically by the Cooperative or its third party designee, to every member of the district, with biographical information for each candidate and a ballot, accompanied by a ballot envelope and a return envelope where applicable. A final date for submitting mailed or electronic ballots will be determined by

the Board of Directors. Ballots must be either sent by mail postmarked by the final date determined by the Board of Directors or submitted electronically by said date. On a date determined by the Board of Directors, the Board shall appoint three (3) independent tellers, who must be members of the district for which an election is being conducted, and who are selected by the Board of Directors (but excluding from participation any nominee and director who is an applicant or a nominee for election), said tellers to meet and conduct a tally of the votes. The Board shall also have the authority to appoint an independent third-party designee to conduct the tally of the votes. The candidate who receives the most votes will be deemed elected and then seated as a director of said district at the next annual meeting of the Cooperative. If the ballots result in a tie, the ballots will have one re-count. In the event the ballots still result in a tie, the winner will be determined as follows:

- 1) If the tie is between two candidates, the winner will be selected by the flip of a coin. Both candidates will be invited to be present for the coin flip.
- 2) If the tie is between two or more candidates, the winner will be determined by drawing lots (names) to determine the winner. All affected candidates will be invited to be present for such drawing.

SECTION 10. Seating of Directors at Annual Meetings

At each annual meeting of members, where a director's term has expired, a director shall be seated.

SECTION 11. Order of Business

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

- (1) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (2) Seating of directors.
- (3) Reading or waiver of the reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (4) Presentation and consideration of, and acting upon, reports of officers, directors and committees.
- (5) Unfinished business.
- (6) New business.
- (7) Adjournment.

At all meetings of the members, of the Board of Directors, and of any committees thereof, meeting procedure, except as provided by law or the Articles of Incorporation, shall be governed by the latest edition of Roberts Rules of Order.

SECTION 12. Voting by Mail

Any member who is absent from an Annual or Special Meeting of the members may vote by mail upon any motion, resolution or amendment, to be acted upon at such meeting, when authorized by these Bylaws or by resolution of the Board of Directors, such resolution to be made prior to the giving of notice and included in the notice. The ballot shall be in the form prescribed by the Board of Directors of the Cooperative and shall contain: the exact text of the proposed motion, resolution or amendment to be acted upon at such meeting; the date of the meeting; and spaces opposite the text of the motion, resolution or amendment in which the member may indicate an affirmative or negative vote. The member shall express a choice by making 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. If the ballot is received at the office of the Cooperative not later than noon on the last business day before the membership meeting, the ballot shall be accepted and counted as the vote of the absent member.

If mail balloting is authorized by the Board of Directors, the spouses who hold a joint membership and are absent from any Annual or Special Meeting of the members, shall jointly be entitled to cast one vote by mail on behalf of the joint membership as provided in this section.

The failure of any absent member to receive a copy of any such motion, resolution or amendment, shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 13. Electronic Documents, Actions and Voting

If a Member owns, controls, or has reasonable access to the applicable or necessary hardware and software, then, regardless of a contrary Bylaw, as determined by the Board, and as allowed by Law:

- (1) the Member consents and agrees to: (A) use, accept, send, receive, and transmit an Electronic signature, contract, record, notice, vote, communication, comment, and other document regarding an action, transaction, business, meeting, or activity with, for, or involving the Cooperative ("Electronic Document"); (B) Electronically conduct an action, transaction, business, meeting, or activity with, for, or involving the Cooperative; and (C) Electronically give or confirm this consent and agreement;
- (2) an Electronic Document sent or transmitted to, or received or transmitted from, the Member satisfies a requirement imposed by the Articles and Bylaws of the Cooperative (the "Governing Documents") that the

underlying signature, contract, record, notice, vote, communication, comment, or other document be in writing;

- (3) Electronically sending or transmitting an Electronic Document to, or receiving or transmitting an Electronic Document from, the Member satisfies a requirement imposed by the Governing Documents that the underlying signature, contract, record, notice, vote, communication, comment, or other document be sent or received personally or by mail; and
- (4) the Member electronically taking an action provided in these Bylaws satisfies a requirement imposed by the Governing Documents regarding the form or manner of taking the action.

An Electronic Document sent or transmitted to a Member or former Member at the Member or former Member's last known Electronic address is considered sent, received, transmitted, and effective on the date sent by the Cooperative. An Electronic Document received or transmitted from a Member or former Member is considered sent, received, transmitted, and effective on the date received by the Cooperative.

As used in these Bylaws, subject to the context requiring otherwise, and as determined by the Board:

- (1) "Electronic" and "Electronically" mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;
- (2) To sign an Electronic Document means, with present intent to authenticate or adopt the Electronic Document, to attach to, or logically associate with, the Electronic Document an Electronic sound, symbol, or process; and
- (3) Electronic transmission includes transmission through: (A) Electronic mail; (B) the Cooperative's website; or (C) a website or information processing system that the Cooperative has designated or uses to send, receive, or transmit Electronic Documents or Electronic information, or to electronically conduct an action, transaction, business, meeting, or activity.

ARTICLE III. DIRECTORS

SECTION 1. General Powers

The business and affairs of the Cooperative shall be managed by a board of directors which shall exercise all of the powers of the Cooperative excepting such as by law or by the Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members. The Board of Directors powers shall include, in their sole discretion, the establishment of various classes of membership to accommodate the business requirements of the Cooperative; the establishment of rates for the various

services offered by the Cooperative; and the establishment of various classes of service and the terms and conditions for such service.

SECTION 2. Qualifications, Exceptions and Disqualifications

(a) Qualifications

No person shall be eligible to become or remain a director of the Cooperative who:

- (1) is not a natural person and a member of the Cooperative, receiving service at the member's primary residence in the district from which the director is elected;
- (2) within five (5) years preceding a director candidate's nomination was or during service on the Board of Directors is finally adjudged to be guilty of a felony;
- (3) Within three (3) years preceding a director candidate's nomination was an employee of the Cooperative;
- (4) is an employee of the Cooperative or a grandparent, parent, spouse, co-habitant, child, or grandchild of an employee of the Cooperative;
- (5) is a person that is a grandparent, parent, spouse, co-habitant, child, or grandchild of an incumbent director whose district seat is not up for re-election at that time;
- (6) is in any way employed by or substantially financially interested in an enterprise competing with the Cooperative or any Cooperative-affiliated business;
- (7) is or becomes the full-time employee or agent of, or who is or becomes the full-time employer or principal of, another director;
- (8) is engaged in conduct that is a violation of law or violation of a Cooperative policy or policies, or whenever a director has materially failed to satisfy his/her duties as a director, including the duty to regularly attend meetings of the Board of Directors; or
- (9) is employed by, materially affiliated with, or has a financial interest in, any individual or entity possessing a material or substantial conflict of interest with the Cooperative or a Cooperative subsidiary.

For purposes of this Section 2, financially interested shall not include beneficial ownership of less than 5% of the bonds or the combined voting power of all issued and outstanding voting securities of a publicly held corporation whose stock is traded on a major stock exchange or quoted on NASDAQ.

Provided, a member that is operating as a corporation, may select an individual stockholder, officer, or other employee of the corporation actively employed by the corporation, to be eligible for election to the Board.

(b) Exceptions. In regard to the restrictive provisions of this Section that are based upon close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected a director if, during a director's incumbency, a director becomes a first kindred relative of another incumbent director or of a Cooperative employee because of a marriage or an adoption to which the director was not a party.

(c) Disqualification. After the Board of Directors determines that a director, a nominee or a candidate for director lacks eligibility under the provisions of these Bylaws, it shall be the duty of the Board to promptly make a disqualification. After the Board of Directors determines that any person being considered for, or already holding, a directorship lacks eligibility, it shall be the duty of the Board to withhold such position from such person or to cause a director to be removed therefrom, as the case may be. The Board of Directors shall determine whether or not a person is qualified to become or remain a director of the Cooperative.

Nothing in this section contained shall, or shall be construed to, affect in any manner the validity of any action taken at any meeting of the Board of Directors.

SECTION 3. Number and Rotation

(a) Number. The number of directors of this Cooperative shall be no less than seven (7) and not more than nine (9) as set forth below.

(b) Voting Districts Rotation Established.

Each District shall be represented by one (1) director. Each District shall be assigned a number, between 1 and 9, said designation to be made by the Board of Directors. The boundaries for each District shall be set by the current Board of Directors within 3 months of the effective date of this Amendment and shall remain on file with the other corporate records at the Cooperative Headquarters. Said District boundaries shall be reviewed and adjusted, if necessary, at least every ten years, in order to provide generally equivalent representation to all members, or where the number of members of the Board of Directors shall be changed.

All Directors shall serve a three (3) year rotating term, on a schedule as determined by the Board of Directors. The Board shall attempt to set such schedule so as to equalize, to the extent possible, the number of board members up for election each year.

Subsequent elections shall follow in the same order. All Directors shall serve their respective terms until their successors have been elected and seated.

SECTION 4. Vacancies

Subject to the provisions of these Bylaws with respect to removal of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors with the exception of a vacancy that takes place within six (6) months of a scheduled election for that same directorship, and directors thus elected shall serve for the unexpired term of the director where vacancy has occurred or until their successors shall have been elected and shall have qualified. The member elected as director to fill the vacancy must reside in the same district as the director to whose office the director succeeds.

In the event that a director becomes totally incapacitated, which shall be determined to a reasonable medical certainty, the remaining directors may declare that a vacancy exists and the procedures of the above paragraph shall be followed.

If a director is absent without cause from three regular board meetings within any one-year period, the remaining directors may declare that a vacancy exists and the procedures of the above paragraph shall be followed.

SECTION 5. 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 of the Board of Directors, or for attendance at meetings concerning the affairs of the Cooperative, providing such attendance is authorized by the Board of Directors. Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members.

SECTION 6. Rules and Regulations

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

SECTION 7. Accounting System and Reports

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, 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 designated by the Administrator of the Rural Utilities Service, United States Department of Agriculture. All accounts of the Cooperative shall be examined by a committee of the Board of Directors which shall render reports to the Board of Directors at least four (4) times a year at regular meetings of the Board of Directors. The Board of Directors shall after the close of each fiscal year cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative by a Certified

Public Accountant. Such audit reports shall be submitted to the members at the following Annual Meeting. The Board of Directors shall cause like types of activities to be grouped by operating division to ensure proper accounting of patronage occurs.

ARTICLE IV. MEETINGS OF DIRECTORS

SECTION 1. Regular Meetings

A Regular Meeting of the Board of Directors shall be held at least ten (10) times a year within the boundaries of the Cooperative service area. Such regular meetings may be held without notice other than such Resolution fixing the time and place thereof.

SECTION 2. Special Meetings

Special Meetings of the Board of Directors may be called by the Chair or any three (3) directors. The person or persons authorized to call Special Meetings of the Board of Directors may fix the time and place (which shall be in Freeborn or Mower County, Minnesota or such other place as determined by the person or persons authorized to call the Special Meeting), for the holding of any Special Meeting of the Board of Directors called by them.

SECTION 3. Notice

Except in the case of an emergency, notice of the time, place, and purpose of any Special Meeting of the Board of Directors shall be given at least twenty-four (24) hours previous thereto, by written notice, delivered personally, by telephone, by other electronic means, or mailed, to each director at the director's last known address. If mailed, such notice must be mailed at least forty-eight (48) hours prior to the time of the scheduled meeting. Mailed notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Notice of any meeting of the Board of Directors may be waived by any director either before, at, or after such meeting orally or in a writing signed by such 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 and does not participate thereafter in the meeting.

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; Conflict of Interest

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. No Freeborn-Mower Director who is an owner, officer, director, or key employee of any other entity receiving service from Freeborn-Mower shall participate in any negotiations or decisions that shall affect that entity.

SECTION 6. Conference Communications

Any or all directors may participate in any meeting of the Board of Directors, or of any duly constituted committee thereof, by any means of communication through which the directors may simultaneously hear each other during such meeting. For the purposes of establishing a quorum and taking any action at the meeting, such directors participating pursuant to this Section 6 shall be deemed present in person at the meeting, and the place of the meeting shall be the place of origination of the conference communication.

ARTICLE V. OFFICERS

SECTION 1. Number

The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer. The offices of Secretary and Treasurer may be held by the same person. The Cooperative shall have a Chair and may have one or more Vice Chairs.

SECTION 2. Election and Term of Office

The officers, chair and one or more vice chairs, if any, of the Board of Directors, shall be elected, by ballot, annually by the Board of Directors at the first meeting of the Board of Directors held after each Annual Meeting of the members. The chair and one or more vice chairs shall be from the Board of Directors. If the election of officers, chair and vice chairs, shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer, the chair and vice chairs, 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, chair and vice chairs.

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 the Cooperative 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 the Cooperative;
- (b) sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general, 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 the President's 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 the Vice President by the Board of Directors.

SECTION 7. Secretary

The Secretary shall be responsible for:

- (a) keeping the minutes of meetings of the members and the Board of Directors in one or more books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) the safekeeping of the corporate records and of the seal of the Cooperative and seeing that the seal of the Cooperative is affixed to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keeping a register of the post office address of each member which shall be furnished to the Secretary by such member;

- (e) keeping on file at all times a complete copy of the Articles of Incorporation and the Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member;
- (f) performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Board of Directors;
- (g) the books of the Cooperative in which a record of the members is kept;
- (h) giving regular or special members' meeting notices, the Secretary shall 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 regular or special members' meeting notices were mailed or published as required by Minn. Stat. '308A.611 or '308A.615 as the same may now exist or be hereafter amended. The certificate shall be made a part of the record of the meeting.

SECTION 8. Treasurer

The Treasurer, utilizing one or more employees employed by the Cooperative, shall be responsible for overseeing:

- (a) the custody of all funds and securities of the Cooperative; and
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative from any source whatsoever, and deposit all such monies in the name of the Cooperative in such banks, other financial institutions or brokerage firms as shall be selected in accordance with the provisions of these Bylaws.

The Treasurer shall also be responsible for 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 the Treasurer by the Board of Directors.

SECTION 9. CEO

The Board of Directors may appoint a CEO who may be, but who shall not be required to be, a member of the Cooperative. The 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 the CEO.

SECTION 10. Bonds of Officers

The Board of Directors may require the Treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to 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 the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 11. 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.

SECTION 12. Chair

The Chair of the Board of Directors shall:

- (a) when present, preside at all meetings of the members and of the Board of Directors; and
- (b) have such powers and shall perform such other duties as may from time to time be prescribed by the Board of Directors.

SECTION 13. Vice Chair

The Vice Chair(s) of the Board of Directors shall:

- (a) if any is elected by the Board of Directors, in the absence of the Chair, preside at all meetings of the members and of the Board of Directors; and
- (b) have such powers and shall perform such other duties as may from time to time be prescribed by the Board of Directors or the Chair.

ARTICLE VI. CONTRACTS, CHECKS AND DEPOSITS

SECTION 1. Contracts

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

SECTION 2. Checks, 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 the Cooperative shall be signed by such officer or officers of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 3. Deposits

All funds of the Cooperative shall be deposited to the credit of the Cooperative in such banks, other financial institutions or brokerage firms as the Board of Directors may select.

ARTICLE VII. EVIDENCE OF MEMBERSHIP

SECTION 1. Evidence of Membership

Membership in the Cooperative will be evidenced on the books and records of the Cooperative. The Cooperative shall upon the effective date of adoption of this Article, and upon any new member becoming a member, provide a confirmation of membership which shall be in such form and shall contain such information as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Articles of Incorporation of the Cooperative or these Bylaws.

SECTION 2. Issuance of Membership Certificates

No membership certificates shall be issued, and any existing membership certificates are declared null and void.

ARTICLE VIII. NON-PROFIT OPERATION

SECTION 1. Patronage Capital in Connection with Furnishing Electric Energy and Other Selected Services

In the furnishing of electric energy and other selected cooperative services, the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, within a particular operating division or allocation unit, whether the units are functional, divisional, departmental, geographic, or otherwise, for all amounts received and receivable from the furnishing of electric energy or other cooperative services to patrons within such allocation units. Subject to the provisions hereof relating to adjustments between and among allocation units, all such amounts in excess of operating costs and expenses and reserves at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons within such allocation units as capital. Subject to the provisions hereof relating to adjustments between and among allocation units, the Cooperative is obligated to pay by credits to the capital account for each patron all such amounts in excess of operating costs and expenses and reserves. The books and records of the Cooperative 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 the Cooperative shall within a reasonable time after the close of the calendar year notify each patron, member and non-member alike, of the amount of capital so credited to the member's allocation unit and to the

member's account. All such amount credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

If an operating division or allocation unit incurs losses in one or more years, such losses shall be assigned on the books of the Cooperative to participating members based on their patronage of that sub-unit in the loss years. No patronage margin allocations shall be made to members with accumulated loss balances until such members' prior year loss assignments have been offset with either their allocable margins from other pools in which they participate, or, if none are available, subsequent year margin allocations. The Cooperative has the right to offset accumulated losses of withdrawing members with any previously allocated capital credits. If the withdrawing member does not have a positive capital credit balance, then any remaining loss shall be offset against the Cooperative's reserves.

All other amounts received by the Cooperative 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, and at the discretion of the Board of Directors, either credited to the reserves of the Cooperative or 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.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. All remaining amounts shall be paid to current and former members for the past 20 years based on the percentage obtained by dividing each member's cumulative patronage by all member's cumulative patronage. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to the patron's accounts may be retired in full or in any part.

The Board of Directors shall determine the allocation, method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital on the basis of allocation units; provided, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion (power supply portion) of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative. Such rules shall (a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of the power supply portion of capital credited to the Cooperative's patrons, (c) provide for appropriate notification to patrons with respect to the power supply portion of capital credited to their accounts and (d) preclude a general retirement of the power supply portion of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assigner unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of the estate of any such deceased patron, shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise 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 the policies of general application, and such legal representatives shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The Board of Directors, at its discretion, shall have the power at any time upon the dissolution of any corporation or limited liability company, if the legal representative of the corporation or company shall request in writing that the capital credited to such company be retired prior to the time such capital such otherwise be retired under provisions of these Bylaws, to retire capital credited to any such corporation or company immediately upon such terms and conditions as the Board of Directors, acting under the policies of general application, and such legal representatives shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. For purposes of this paragraph, "dissolution" shall be defined as the filing of a Notice of Intent to Dissolve, Statement of Dissolution or such similar notice as require by the Secretary of State.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative 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 Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting the same in a conspicuous place in the Cooperatives office.

ARTICLE IX. WAIVER OF NOTICE

Any member or director may waive, in writing, any notice of meetings required to be given by law, the Articles of Incorporation or these Bylaws. In case of a joint membership, a waiver of notice signed by either spouse, shall be deemed a waiver of notice of such meetings by both joint members.

**ARTICLE X.
DISPOSITION OF PROPERTY**

The Cooperative may at any meeting of its Board of Directors sell, mortgage, lease or exchange all of its property, rights, privileges and franchises upon such terms and conditions as the Board of Directors deem expedient, and for the best interests of the Cooperative, when and as authorized by the affirmative vote of two-thirds (2/3) of the members, given at a members' meeting duly called for that purpose. The above immediate sentence can only be amended when and as authorized by the affirmative vote of two-thirds (2/3) of the members, given at a members' meeting duly called for that purpose.

Provided further, however, that notwithstanding anything herein contained, the Board of Directors, without authorization by the members, shall have full power and authority to borrow money from the United States of America, or any agency or instrumentality thereof, or any other source, and in connection with such borrowing to authorize the making and issuance of bonds, notes or other evidences of indebtedness and, to secure the payment thereof, 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, all upon such terms and conditions as the Board of Directors shall determine.

**ARTICLE XI.
FISCAL YEAR**

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

**ARTICLE XII.
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, Minnesota.

**ARTICLE XIII.
AMENDMENTS**

These Bylaws may be altered, amended or repealed by the members at any Regular or Special Meeting, provided that notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

**ARTICLE XIV.
INDEMNIFICATION**

The Cooperative shall indemnify any present or former director, officer, employee, member or volunteer against expenses, including reasonable attorney's fees, judgments, fines and amounts actually paid in settlement and reasonably incurred to the fullest extent permitted by Minnesota law. The Cooperative shall not indemnify any present or former

director, officer, employee, member or volunteer (a) in connection with a proceeding brought by the Cooperative or on behalf of the Cooperative in which any such person was adjudged liable to the Cooperative, or (b) in connection with any other proceeding charging any such person with improper personal benefit.

Approved: September 24, 2019