

Board Recommends Approval of Restated Bylaws

The Board of Directors is proposing revisions to WH's Bylaws. The sentences with lines under them are recommended additions. The sentences with strikeouts indicate recommended deletions. The right hand margin provides a brief explanation of the Board of Director's recommendations.

Over time, modifications to Bylaws are necessary to comply with changes that have occurred in the law, to modernize archaic language, to simplify language where possible, and to provide for efficiencies of operation to the Cooperative. At this year's annual meeting, the Board of Directors is recommending various revisions to the Bylaws to accomplish the above goals and to address contemporary business issues.

Members are asked to approve the Bylaws with one vote. Bylaws ballots will be mailed to all members the week of March 29, 2021. Voting will conclude April 15, 2021, with the results provided during the business meeting.

Proposed Bylaws Changes

RECOMMENDATIONS

SUMMARY STATEMENT OF REVISIONS IN THE RESTATED BYLAWS OF WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSOCIATION

General Comment: The intent of the Restated Bylaws is to comply with changes that have occurred in the law, to modernize archaic language (including elimination of gender specific references), to simplify language where possible and to provide for changes that will facilitate a more efficient operation of the Cooperative. The specific changes outlined below will address the substantive changes in the Bylaws.

2021 RESTATED BYLAWS

ARTICLE I MEMBERS

Section 2. Membership.

No person may have more than one membership in the Cooperative. Persons may hold a joint membership in the Cooperative. Upon the death of either joint member, the joint membership shall be converted to an individual membership, and all capital credit rights shall transfer to the surviving joint member or members automatically. However, the estate of the deceased joint member shall not be released from any debts or liabilities to the Cooperative.

The Cooperative may suspend a membership if a member temporarily ceases using Cooperative service as determined by the Board, upon request of a member, when a landlord member transfers bill payment responsibility to the landlord's tenant of landlord's electric service, or for other good cause. Upon suspension, a member may not receive notice, nominate, vote, remove, demand, request, petition, consent, or otherwise act as provided in these bylaws.

Section 4. Dispute Resolution.

~~All disputes, claims, or controversies ("disputes") between a member and the Cooperative arising from or related in any way to the Cooperative's provision of electricity or other services, its furnishing of any goods, or in its conduct of its operations, other than disputes relating to the payment for electrical energy provided by the Cooperative, that are not resolved by agreement of the parties shall, at the request of any party, be resolved by binding arbitration by a single arbitrator. Arbitration shall take place in Rockford, Minnesota or as close to this location as possible. The selection of the arbitrator and all arbitration rules and procedures shall be determined pursuant to the Uniform Arbitration Act in Minnesota Statutes §§ 572B.01-572B.31, or any successor provisions; and pursuant to any additional written procedures to be established from time to time by the board of directors. The determination of any dispute in arbitration shall be governed by the laws of the State of Minnesota. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a member's membership in the Cooperative. Any and all disputes, claims, or controversies arising from or related in any way to the Cooperative's provision of electricity or other services, or in its furnishing of any goods, or in the conduct of its operations, other than disputes or claims relating to the payment for electrical energy and/or other services provided by the Cooperative, that are not resolved by agreement of the parties, shall, at the request of either party, be resolved by binding arbitration. In the event the arbitration involves claims of \$100,000 or more, there shall be three (3) arbitrators, one picked by each party and a third selected by the two (2) arbitrators selected by the parties. In the event the dispute involves less than \$100,000, there shall be one (1) arbitrator. If the parties cannot~~

BASIS FOR RECOMMENDATIONS

ARTICLE I MEMBERS

Section 2. The newly inserted language addresses joint membership, deaths of members, and the suspension of membership in certain circumstances.

Section 4. Updated to address dispute resolution for almost all legal matters or disputes between members and the Cooperative and provides guidance on the arbitration process.

Proposed Bylaws Changes

RECOMMENDATIONS

agree on an arbitrator, the determination shall be made by the Minnesota District Court in either Hennepin or Wright County, Minnesota. The arbitration shall take place in either Hennepin or Wright County, Minnesota, or as close to this location as possible, under and pursuant to the rules contained in Chapter 572B of Minnesota Statutes, known as the Uniform Arbitration Act. The determination of any dispute in arbitration shall be governed by the laws of the State of Minnesota, including the Frye-Mack Standard and not the Daubert Standard with respect to testimony of experts. The cost of the arbitrators and the filing fees shall be shared equally by the parties.

All disputes between the parties must be arbitrated individually, and not through a Class Action.

Each member of the Cooperative, by virtue of their membership, agrees to arbitrate any and all claims or controversies according to these bylaws and the regulations and policies prescribed by the Board of Directors and further agrees to abide by and comply with any arbitration award. This agreement to arbitrate disputes shall survive any withdrawal from or termination of a member's membership in the Cooperative.

Section 5. Provision of Cooperative Service.

A member shall comply with any reasonable procedure required by the Cooperative regarding the provision of Cooperative service, including, but not limited to, the following:

- (a) Based upon different costs of providing Cooperative service to different groups of members, the Cooperative may charge each group a different rate or price for providing the Cooperative service.
- (b) The Cooperative may construct, operate, relocate, reconstruct, and maintain an above or below ground electric distribution line or system on or under the member's property, and above or below the ground upon all streets, roads, or highways abutting the member's property. The Cooperative may read, inspect, replace, or maintain metering and load management control equipment.
- (c) The Cooperative may inspect and make such repairs, changes, alterations, improvements, removals from, substitutions, and additions to its facilities as the Cooperative may from time to time deem advisable.
- (d) All the Cooperative's lines and facilities shall remain the property of the Cooperative.
- (e) The member shall keep the Cooperative's right of way clear of all buildings, structures, or other obstructions.
- (f) The Cooperative shall have the right to access across the member's property to its facilities from the most readily and accessible public road or driveway for the purpose of maintaining or working on any part of the electric distribution system.
- (g) The Cooperative may cut, trim, and control trees, shrubbery, and other vegetation on the member's property by machinery, by chemicals, or otherwise to the extent necessary to keep the right of way clear for the Cooperative's line or system, and the Cooperative may cut down from time to time all dead, weak, leaning, or dangerous trees that are reasonably determined to be tall enough to strike the wires in falling.
- (h) Member shall comply with the National Electrical Code, all Minnesota laws regulating the installation of electrical wiring and equipment, and such rules and regulations as may be adopted by the State Board of Electricity, and upon request, member shall provide to the Cooperative proper evidence of compliance with permit requirements prior to connection of electric services.
- (i) The member releases the Cooperative from any and all liability of every kind and nature which may occur from member's defective installation or wiring on the member's property or from the member's failure to inspect that wiring or facilities, and member agrees to hold the Cooperative, its employees, and agents harmless from any and all such liability.
- (j) The Cooperative may license, permit, or otherwise agree to the joint use or occupancy of its lines or system, or if any of its system is placed underground, of the trench and related underground facilities, by any other person, association, or legal entity. The Cooperative may permit the attachment of wires of others to the structures of those electric facilities.
- (k) Member agrees that member will not do any act which will interfere with or harm the Cooperative's electrical system.
- (l) The Cooperative may use Cooperative equipment to measure, collect, maintain, transmit, communicate, and store the aggregate or incremental amount, quantity, or quality of electric energy used by a member and other data or information regarding the member's use of electric energy.
- (m) Member consents to the Cooperative using an automatic telephone dialing system, or an artificial or pre-recorded voice, to contact the member regarding the member's Cooperative service or the member's use of a Cooperative service.

BASIS FOR RECOMMENDATIONS

Section 5. Language added to address reasonable procedures required by the Cooperative to construct, operate, relocate, reconstruct and maintain distribution lines to help continue to provide reliable power.

Proposed Bylaws Changes

RECOMMENDATIONS

- (n) Member shall pay interest and late fees as reasonably determined by the Board of Directors and all costs, including reasonable attorney collection fees, required to collect or obtain payment of amounts owed but not timely paid to the Cooperative.
- (o) Each member shall indemnify the Cooperative for, and hold the Cooperative harmless from, liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or by a Cooperative director, officer, employee, agent, or representative, and caused by the negligence or willful misconduct of the member or a non-member occupying the same location as the member, or by the unsafe or defective condition of a location occupied by the member.

ARTICLE II MEETINGS OF MEMBERS

Section 2. Notice of Annual Meeting.

Notice of the annual meeting shall be given by the Secretary by publication in a magazine, periodical, or other publication of the Cooperative that is regularly published and circulated generally among members or by publication in a weekly legal newspaper or newspapers 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 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 joint members shall be deemed notice to both joint members. Alternatively, if permitted and as required by law, notice may be given to the members electronically.

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 magazine, periodical, or other publication of the Cooperative that is regularly published and circulated generally among members or by publication in a legal newspaper or newspapers 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 his 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 joint member shall be deemed notice to both joint members. Alternatively, if permitted and as required by law, notice may be given to the members electronically.

Section 5. Quorum.

The number of members to constitute a quorum at a meeting of members shall be fifty (50) members present or represented by mail ballot or electronic vote. In case of a joint membership, the presence at a meeting of either or both joint members, shall be regarded as the presence of one member. If less than a quorum is present at any meeting a majority of those present may adjourn the meeting, provided a new notice is submitted, by mail, publication, and/or electronically as permitted by law, mailed to each member specifying the time and place of such adjourned meeting.

Section 6. Establishment of a Quorum.

The attendance of a sufficient number of members to constitute a quorum at any meeting shall be established by registration, mail ballot or electronic ballot of the members shall be established by a registration of the members present at such meeting, which registration shall be verified by the Chair and Secretary and shall be reported in minutes of such meeting. In case of a joint membership, registration of either joint member or both, shall be regarded as the registration of one member.

Section 7. Member Voting.

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon at such meeting in-person or by mail, except as otherwise provided by law, the articles of incorporation of the Cooperative or these bylaws. Joint members shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

BASIS FOR RECOMMENDATIONS

ARTICLE II MEETINGS OF MEMBERS

Section 2. and Section 4. To clarify and expand the methods by which the Cooperative can provide legal notice regarding the annual and special meetings of the membership.

Section 5. and 6. Allows for registration, mail ballots or electronic voting to be used to constitute a quorum at meetings of members.

Section 7, 8 and 9. To clarify and expand methods by which a member shall be entitled to submit a vote.

Proposed Bylaws Changes

RECOMMENDATIONS

~~No member shall be entitled to vote by proxy; except that whenever a vote of the members is required or provided for on any matter, including a petition to regulate the Cooperative under the Minnesota Public Utilities Commission or deregulate the Cooperative, as the case may be, the spouse of a member may vote on behalf of the member unless the member has indicated otherwise to the Cooperative. A member shall be entitled to vote by electronic means in accordance with procedures authorized by the Board of Directors on any election, motion, resolution, amendment or any other matter which is submitted to members for a vote.~~

~~A member shall be entitled to submit a vote at a meeting of the members on any director election, motion, resolution, amendment, or any other matter which is submitted to members for a vote at such meeting by any one (but not more than one) of the following means: (a) in person, (b) by mail, or (c) by electronic means; in all instances in accordance with procedures authorized by the Board of Directors.~~

Section 8. Voting for Bylaws by Mail.

~~Any member who is absent from any annual or special meeting of at which the members may will vote by mail upon any motion, resolution or amendment, to be acted upon at such meeting. The Secretary shall mail to each member with the notice of the meeting a ballot marked "Meeting Ballot", which shall be in the a form prescribed by the Board of Directors of the Cooperative; shall contain the exact text of the each proposed motion, resolution or amendment to be acted upon at such meeting, and shall also contain spaces opposite the text of such motion, resolution or amendment in which such member may indicate his/her affirmative or negative vote therein. For meetings at which any Director election(s) will be held, the Secretary shall mail to each member with the notice of the annual meeting a ballot marked "Ballot for Directors", in a form prescribed by the Board of Directors, containing the name, residence, and District of each candidate running for a Director position, the manner by which the candidate was nominated, and listing the candidates alphabetically on the Ballot for Directors. Each Meeting Ballot and Ballot for Directors shall contain a means by which a member may indicate his/her/its affirmative or negative vote on a motion, resolution, or amendment or his/her/its vote for a Director election candidate, and shall specify the date and time by which a ballot must be received by the Cooperative to be counted. Such A member opting to vote by mail shall express his/her/its choice by marking an "X" in the appropriate space area upon such ballot(s) and mail or deliver the ballot(s) to the Cooperative, or to a place designated by the Cooperative, in a plain, sealed envelope inside another envelope bearing the member's name. If a properly completed and submitted ballot of a member is received by the Cooperative by the time on the date of the annual meeting specified by the Board of Directors, the A properly-executed ballot shall be accepted and counted as the vote of the absent member at such meeting. Any ballot not properly completed or submitted, or not timely received, shall be invalid. The failure of any absent member to receive a copy of any such motion, resolution, or amendment, candidate slate, or a ballot shall not invalidate any action which may be taken by the members at any such meeting.~~

Section 9. Voting By Mail For Directors Electronic Means.

~~For any annual or special meeting at which the members will vote upon any director election, motion, resolution, or amendment, or any other matter which is submitted to members for a vote at such meeting, at the discretion and option of the Board of Directors, and as permitted by law, a Meeting Ballot and/or a Ballot for Directors, as the case may be, each in a form prescribed by the Board of Directors, will be made available by electronic means in accordance with procedures authorized by the Board of Directors, including a means by which a member may indicate his/her/its affirmative or negative vote on a motion, resolution or amendment or his/her/its vote for a Director election candidate. The procedures shall specify the date and time by which an electronic ballot must be received by the Cooperative, or its designee, to be counted. If a properly completed and submitted ballot of a member is received by the Cooperative, or its designee, through electronic means by the time on the date of the annual meeting specified by the Board of Directors, the ballot shall be accepted and counted as the vote of the member at such meeting. Any ballot not properly completed or submitted, or not timely received, shall be invalid. The failure of any member to receive a copy of any motion, resolution, amendment, candidate slate, or a ballot by electronic means shall not invalidate any action which may be taken by the members at any meeting. The members shall be entitled to vote by mail for directors as provided in this section. The Secretary shall mail to each member with the notice of the annual meeting a ballot marked "Ballot for Directors" prescribed by the Board of Directors, containing the names and residences of all candidates for director and the manner in which the candidates were nominated. A member who will be absent from the annual meeting may vote by mail for directors by marking on the ballot an "X" opposite the candidate of the member's choice. The member shall return the ballot by mail to the Cooperative in a sealed plain envelope inside another envelope bearing the member's name. If the ballot of the member is received by the Cooperative on or before the date of the annual meeting, the ballot shall be accepted and counted as the vote of the absent member.~~

BASIS FOR RECOMMENDATIONS

Proposed Bylaws Changes

RECOMMENDATIONS

Section 11. Postponement of Meetings of the Members.

In the event of inclement weather or the occurrence of a catastrophic event, natural disaster, pandemic, epidemic, or other good cause, any annual, special, or district meeting of the members may be postponed and rescheduled by the Chair, or in the Chair's absence, by any other available officer of the Board. Notice of the postponement and rescheduling shall be given by the Cooperative in any media of general circulation or broadcast serving the area served by the Cooperative.

ARTICLE III DIRECTORS

Section 2. Qualifications and Tenure.

Members shall be eligible to be nominated or elected or to remain a Director provided that:

- (a) They are a natural person and are purchasing and taking delivery of electric energy at their legal residence from the Cooperative or from an organization furnishing electric power to the Cooperative,
- (b) They have the capacity to enter legally binding contracts;
- (c) They have not been convicted of a felony.
- (d) They are not employed by, materially affiliated with or have a material financial interest in any individual or entity which is:
 1. Directly and substantially competing with the Cooperative, or any subsidiaries; or
 2. Selling goods and services in substantial quantity to the Cooperative or its subsidiaries; or
 3. Possessing a substantial conflict of interest with the Cooperative or its subsidiaries.
- (e) They are not in any way employed by the Cooperative or any of its subsidiaries nor have they been employed by the Cooperative or its subsidiaries within three (3) years of the director's nomination.
- (f) They are not a close relative of any existing Director or existing employee of the Cooperative or its subsidiaries. For the purpose of this section only "close relative" shall mean a person who is either a spouse, child, grandchild, step-child, parent, grandparent, step-parent, brother or sister, by blood or in-law, of the principal.

The Cooperative shall be divided into nine Director Districts with one ~~d~~Director position elected from each ~~d~~District, resulting in a Board of Directors comprised of nine persons. The Cooperative shall stagger Director terms by dividing the total number of authorized Directors (nine) into groups of approximately equal number. Members must annually elect an approximately equal number of Directors. Except as otherwise provided in these Bylaws, a Director's term is three (3) years or until a successor Director is elected or appointed and takes office. A Director's term begins: (1) after the individual consents to being elected or appointed as a Director; and (2) immediately after adjournment of the Member meeting at which elected, or if appointed, at the end of the Board Meeting at which the Director is appointed. A Director's term ends after: (1) a successor Director consents to being elected or appointed as a Director; and (2) immediately after adjournment of the Member meeting at which a successor is elected, or if appointed, at the end of the Board Meeting at which the successor Director is appointed.

A member shall vote for ~~a~~dDirectors only in the district in which he/she resides. If a member's legal residence is not served by the Cooperative, then the member shall vote in the district where membership is held. The nominee in each district receiving the highest number of votes cast shall be elected, and in the case of a tie vote, the winner shall be determined by a flip of a coin.

Representation on the Board of Directors shall be apportioned equally among the Director ~~d~~Districts in proportion to the number of members residing in each Director ~~d~~District, commencing in the year 2020. The number of members in any one Director ~~d~~District may not vary by more than ten percent (10%) from the average number of members for the Director ~~d~~Districts. At least once every ten (10) years, first beginning in the year 2020, the Board of Directors shall conduct a survey to determine whether the number of members in a Director ~~d~~District has changed. If the number of members in a Director ~~d~~District has changed by fifteen percent (15%) or more from the then most recent apportionment, the Director ~~d~~Districts shall be changed so that representation of the Board of Directors continues to be apportioned equally throughout the Director ~~d~~Districts in proportion to the membership.

BASIS FOR RECOMMENDATIONS

Section 11. This section permits the Board to postpone a membership meeting in the event of inclement weather, the occurrence of a catastrophic event, natural disaster, pandemic, or other good cause.

ARTICLE III DIRECTORS

Section 2. General cleanup and use of consistent terms.

Proposed Bylaws Changes

RECOMMENDATIONS

Section 8. Director Conduct.

A Director shall discharge his or her duties, including duties as a board committee member:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances;
- (c) In a manner the Director reasonably believes to be in the Cooperative's best interests; and
- (d) Consistent with established board policies regarding Director ethics and code of conduct.

The Board of Directors shall have the power to censure, in such form and to such degree as it deems appropriate, any Director who does not conform to the provisions of this section in the discharge of his or her duties. Such censure may, in the discretion of the Board of Directors, include a recommendation to the membership that the Director be removed from office.

ARTICLE IV MEETINGS OF DIRECTORS

Section 6. Meeting Attendance.

Members of the Board of Directors may participate in a board meeting, special meeting or any lawfully constituted committee, may participate in a special meeting of such Board or any meeting of such committee by means of conference telephone or if authorized by the Board, by such other similar means of remote communication by which all persons participating in the meeting can simultaneously hear each other and participate in the meeting. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE VI DISTRIBUTION OF EARNINGS

Section 2. Patronage Capital in Connection with Delivering Electric Energy.

In the delivery of electric energy from facilities owned by the Cooperative, the Cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs, and expenses, capital reserves, and/or additional reserves properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs, and expenses, capital reserves, and/or additional reserves at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. In accordance with Minnesota Statutes Chapter 308A (and/or all revisions or replacements thereof), the net income of the Cooperative, except for amounts set aside as capital reserves or additional reserves, shall be allocated on the basis of patronage as provided in the Bylaws. The records of this Cooperative may show the interest of patrons and members in the reserves.

The Cooperative is obligated to pay allocate by credits to a capital account for each member all such amounts in excess of operating costs, and expenses, capital reserves, and/or additional 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 member is clearly reflected and credited in an appropriate record to the capital account of each member. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

Funds and amounts, other than amounts received and receivable from the furnishing of electric service and in excess of operating costs and expenses chargeable against the furnishing of electric energy ("operating margins"), received by the Cooperative that exceed the Cooperative's costs and expenses ("non-operating margins") may be: (i) allocated as capital credits to members in the same manner as the Cooperative allocates operating margins as capital credits to members; or (ii) retained or used by the Cooperative as non-allocated capital and used to pay or offset any indebtedness, cost, expense, or to establish a reserve. Notwithstanding any contrary Bylaw, and to meet the Cooperative's reasonable needs, the Cooperative may accumulate and retain amounts exceeding those needed to meet current losses and expenses as the Board of Directors determines advisable ("Reasonable Reserves"). The Cooperative must keep records necessary to determine, at any time, each member's rights and interest in Reasonable Reserves.

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 rate rata basis. If, at any time prior to dissolution or liquidation, the Board of

BASIS FOR RECOMMENDATIONS

Section 8. New language added to ensure directors are performing required duties and following a reasonable code of conduct.

ARTICLE IV MEETINGS OF DIRECTORS

Section 6. Updated language to allow director participation in required meetings by means of electronic communication such as by telephone conference or video conference.

ARTICLE VI DISTRIBUTION OF EARNINGS

Section 2. This section is updated to maintain consistency with Article III, Section 2 of the Cooperative's Restated Articles of Incorporation and Minnesota Statutes Chapter 308A, the "Minnesota Cooperative Law," each of which permits the Cooperative to set aside a portion of net income and/or non-operating margins as the Board of Directors determines advisable to create or maintain a capital reserve or additional reserves for proper purposes.

Additionally, this section is intended to assist the Cooperative in collecting its debts from members or former members who file for bankruptcy. It provides that the Cooperative has a security interest in and recoupment (setoff) right against each member or former member's allocated capital credits and gives the Cooperative a right to perfect that security interest by filing a financing statement.

Proposed Bylaws Changes

RECOMMENDATIONS

Directors shall determine that the financial condition of the Cooperative will not be impaired, thereby, the capital then credited to members' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. In no event, however, shall any capital be retired contrary to the provisions of any unsatisfied mortgage executed by the Cooperative.

Capital credited to the account of each member shall be assignable as the Board of Directors, acting under policies of general application, shall determine.

The members and 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 member and patron, and the Cooperative and the members and patrons are bound by such contract, as fully as though each member and 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 member and patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

An amount not to exceed one dollar (\$1.00) of capital credits accruing to each member each year shall be used for a subscription to the official cooperative newsletter. The Board of Directors is authorized to pay said subscription annually for each member, charging the amount of the subscription against the capital credited to the account of each member.

The Cooperative shall deduct a reasonable service charge against the capital credits of a member who has not claimed them beginning one year after the capital credits are declared payable. The amount of such service charge shall be based on the current cost of handling the capital credit account of the member.

As security for the full and prompt payment and performance when due of any and all obligations or indebtedness that may be owed by a "patron" (member or former member) to the Cooperative, the Cooperative shall have a continuing security interest in and recoupment claim against the patronage capital allocated to a patron. Each patron authorizes the Cooperative to perfect that security interest by any filing required under the Uniform Commercial Code. Regardless of a statute of limitation or other time limitation, after retired capital credits are allocated to a patron or former patron, the Cooperative may recoup, offset, or set off an amount owed to the Cooperative by the patron, including any services fees, by reducing the amount of retired capital credits paid by the amount owed to the Cooperative.

BASIS FOR RECOMMENDATIONS

Strike-Through = delete Underline = add

NOTICE OF ANNUAL MEETING OF THE WRIGHT-HENNEPIN COOPERATIVE ELECTRIC ASSOCIATION

TO ALL MEMBERS:

Please take notice that the Annual Meeting of the members of the above Cooperative will be held at its headquarters in Rockford, Minnesota, at 6:30 p.m. on Thursday, April 15, 2021, to take action on the following matters:

- I. The reports of officers, directors, and committees.
- II. The election of three directors, one from District 1, one from District 3, and one from District 9. In connection with the election scheduled for this meeting, candidates have been nominated pursuant to the Bylaws.
- III. In addition to voting for directors, voting will occur in regard to proposed amendments to the Bylaws.
- IV. Any other business that may come before the meeting or any other adjournments thereof.

Due to challenges associated with COVID, in-person ballots will not be accepted at the Annual Meeting. Ballots properly submitted by mail or electronically will be counted. In the event the Annual Meeting is postponed or canceled, the election of directors and Bylaws voting shall continue. Once certified, director election and Bylaws results will be made available on the Cooperative website and communicated to the membership via email from the Cooperative.

If the meeting is canceled due to inclement weather or for any other reason, the meeting will be rescheduled for Thursday, May 6, 2021.

Dale F. Jans, Secretary

Keep in touch with your cooperative!

Member call center:

7:30 a.m. – 5 p.m., Monday - Friday
(763) 477-3000 or (800) 943-2667

To report an outage:

Dispatchers are available 24/7
(763) 477-3100 or (888) 399-1845

WH Security monitoring:

Security dispatchers are available 24/7
(763) 477-4275 or (800) 858-7811

Website: whe.org

Email: info@whe.org

Facebook: @WrightHennepin

Twitter: @WrightHennepin

Instagram: [wrighthennepin](https://www.instagram.com/wrighthennepin)

YouTube: [WrightHennepin](https://www.youtube.com/WrightHennepin)

*This cooperative is an equal
opportunity provider and employer.*