
Articles of Incorporation and Bylaws of
Dakota Electric Association

Revised May 14, 2021



Your Touchstone Energy[®] Cooperative 

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**ARTICLES OF INCORPORATION
OF DAKOTA ELECTRIC ASSOCIATION**

The Articles of Incorporation of Dakota Electric Association are amended and restated as follows:

ARTICLE I

SECTION 1. The name of this Association shall be DAKOTA ELECTRIC ASSOCIATION.

SECTION 2. The conduct of the business of this Association shall be upon the cooperative plan and the purposes for which it is formed are to sell, provide, deliver, furnish, or distribute electric energy and other products and services to its members and patrons and to engage in any other lawful business.

This Association shall be authorized to exercise and enjoy all of the powers, rights, and privileges granted to or conferred upon associations of the character of this Association by the laws of the State of Minnesota now or hereafter in force.

SECTION 3. The registered office and principal place of transacting the business of this Association is 4300 220th Street West, Farmington, Minnesota 55024.

ARTICLE II

The period of duration of this Association shall be perpetual.

ARTICLE III

SECTION 1. This Association is organized on a non-stock, membership basis. The Association will maintain appropriate membership records.

SECTION 2. Members shall have only one vote in the affairs of this Association, and membership in this Association shall not be transferable except with the approval and consent of the Board of Directors of this Association.

SECTION 3. No interest or dividends shall be paid upon capital furnished to the Association by its members or patrons.

SECTION 4. The net income of this Association, except for amounts set aside as capital reserves or additional reserves shall be distributed on the basis of patronage. The records of this Association may show the interest of patrons and members in the reserves.

ARTICLE IV

To the fullest extent permitted by laws governing cooperative associations, as the same exists or may hereafter be amended, a director of this Association shall not be personally liable to the Association or its members for monetary damages for breach of fiduciary duty as a director.

ARTICLE V

These Articles of Incorporation may be altered, amended, or repealed in the manner now or hereafter prescribed by law.

**BYLAWS OF
DAKOTA ELECTRIC ASSOCIATION**

The Bylaws of Dakota Electric Association are amended and restated as follows:

**ARTICLE I
MEMBERS**

SECTION 1. Qualifications and Obligations. Any person or entity shall become a member in the Association by taking delivery of electric energy from facilities owned by this Association. The member shall comply with the Articles of Incorporation, these Bylaws, and such rules and regulations as may be adopted by the Board of Directors. The Association shall maintain appropriate membership records.

SECTION 2. Withdrawal of Membership. Any member may withdraw from membership upon payment in full of all liabilities of such member to the Association and upon compliance with such terms and conditions as the Board of Directors may prescribe.

SECTION 3. Joint Membership. Persons may hold a joint membership in the Association. Upon the death of either joint member, the joint membership shall be converted to an individual membership. The estate of the deceased joint member, however, shall not be released from any debts or liabilities to the Association.

SECTION 4. Removal of Directors and Officers. The members shall have the power to remove any director or officer for cause provided it is related to the duties of the position of director or officer. For this purpose, "cause" means the actions or inactions of a director which cause substantial harm to the interests of the Association, including but not limited to breach of fiduciary duty; illegal, fraudulent, oppressive, or dishonest conduct; or gross mismanagement or neglect of the affairs of the Association. Any member may bring charges against an officer or director by filing them in writing with the Secretary, together with a petition signed by the number of members who voted in the most recent election for director, or four percent (4%) of the members, or whichever is less, requesting the removal of the officer or director in question. Upon receipt of such a petition the Board of Directors shall call a special meeting of the members to be held within 90 days of the receipt of the petition. Notice of the meeting together with a statement of the purpose of the meeting shall be given in accordance with Article II, Section 3. The removal shall be voted upon at the special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. The director or officer 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 shall have the same opportunity. The Board of Directors shall appoint a qualified person to conduct the process after the petition is filed, to preside at the meeting, to make rulings on the evidence and claims submitted by the parties, and to assure that a fair hearing at the meeting is held.

SECTION 5. Member Newsletter. The cost to produce Circuits, the member newsletter, is included in the Cooperative's operating costs and is paid monthly by each member through their electric rates.

ARTICLE II MEETINGS OF MEMBERS

SECTION 1. Regular Meetings. Regular meetings of the members of this Association may be held at the principal place of business of this Association, or at such other place conveniently located in the general service area served by it, and at such date and hour as may be determined by the Board of Directors and designated in the notice of the meeting.

SECTION 2. Special Meetings. Special meetings of the members may be called at any time by a majority vote of the directors or upon the written petition of at least twenty percent (20%) of the members as provided by law.

SECTION 3. Notice of Meetings or Elections. Notice of regular and special member meetings or elections shall be given by the Secretary (a) by publication in a legal newspaper published in the county of the Association's principal place of business; (b) by publication in a magazine, periodical, or other publication of the Association that is regularly published and circulated generally among members; or (c) by mailing the notice of the meeting or election to each member personally at the member's last known post office address. The notice of the meeting or election must be published at least two (2) weeks before the date of the meeting or election or mailed at least fifteen (15) days before the date of the meeting or election. Upon the mailing of any notice of any meeting of members or election, the Secretary shall execute a certificate setting forth a correct copy of the notice and showing the date of the mailing thereof and that the same was mailed within the time and in the manner herein prescribed. Said certificate shall be made a part of the record of the meeting or election. The failure of any member to receive notice of a regular or special meeting or election shall not invalidate any action which may be taken at such meeting or election.

SECTION 4. Voting. Voting in this Association shall be as follows:

- (a) Each member shall have only one vote in the affairs of this Association. All questions shall be decided by a majority of the members voting thereon at such meeting in person or by mail vote, except as otherwise provided by law, the Articles of Incorporation, or Bylaws of the Association.
- (b) There shall be no voting by proxy, except that whenever a vote of members is required or provided for on any matter, the spouse of the member may vote on behalf of the member unless the member has indicated otherwise to the Association.
- (c) Any member may vote by mail, on the ballot herein prescribed, upon any motion, resolution, or amendment that the Board of Directors may in its discretion submit to the members for vote by them. The ballot may be in the form prescribed by the Board of Directors and shall contain the exact text of

the proposed motion, resolution, or amendment to be voted upon and spaces opposite the text of such motion, resolution, or amendment in which such member may indicate an affirmative or negative vote thereon. The member shall express a choice by a mark in the appropriate space upon such ballot. The member shall mail or deliver the ballot to the Association, or to a place designated by the Association, in a sealed plain envelope inside another envelope bearing the member's name. If the ballot is received by the Association on or before the date of the meeting, the ballot shall be accepted and counted as the ballot of the absent member. The Association shall notify members of the date by which any mailed ballots must be received to be counted.

(d) Any member may vote electronically for a director or upon any motion, resolution, amendment, or other matter upon which members are entitled to vote as may be permitted by law.

(e) Any member who cannot locate their original ballot may request a replacement ballot. The replacement ballot must be requested in writing at least two (2) business days before the annual meeting so the Association has sufficient time to provide the replacement ballot to the member. The member may then vote with the replacement ballot at the annual meeting, and the ballot shall be accepted and counted as the ballot. If a replacement ballot is requested, and a member votes both the original and the replacement ballot in the election, the first cast ballot will be counted.

SECTION 5. Election Date. In January of each calendar year, or as soon thereafter as reasonably possible, the board shall establish a date and time to serve as a deadline for the receipt of all ballots for the election of directors ("election date").

SECTION 6. Record Date. The board may fix a date for determining the total membership and the members eligible to receive notice of a members meeting and a mailed ballot. This record date shall be at least 30 days prior to the date of the members meeting or election date.

SECTION 7. Quorum. A quorum necessary to the transaction of business at any meeting of the members shall be at least fifty (50) members. In determining a quorum on a question submitted to a vote by mail, members present in person or represented by mail votes shall be counted. The quorum shall be established by a registration of the members present at such meeting. The registration shall be verified by the President and Secretary and shall be reported in the minutes of the meeting.

SECTION 8. Order of Business. The board shall determine the agenda and order of business for member meetings.

ARTICLE III DIRECTORS

SECTION 1. General Powers. The business and affairs of this Association shall be managed by the Board of Directors.

SECTION 2. Number, Qualifications, Tenure and Election. The number of directors of this Association shall be twelve (12). The Association shall be divided into four (4) director districts as determined by the Board of Directors with three (3) directors elected from each district.

Representation on the Board of Directors shall be apportioned equally among the districts in proportion to the number of members residing in each district. The number of members in any one district may not vary by more than ten percent (10%) from the average number of members for the districts. At least once every ten (10) years the Board of Directors shall conduct a survey to determine whether the number of members in a district has changed. If the number of members in a district has changed by fifteen percent (15%) or more, the districts shall be changed so that representation on the Board of Directors continues to be apportioned equally throughout the districts in proportion to the membership.

The Association will not discriminate against any director nominee based on age, disability, race, color, religion, sex, or national origin. No member shall be eligible to become or remain a director (a) who is employed by a competing energy business; (b) who within eighteen (18) months prior to the date of the annual meeting has been an employee of the Association or its subsidiary companies; (c) who has been finally adjudged guilty of a felony within the previous five (5) years; or (d) who is not an individual member of the Association, receiving service at the member's primary residence in the district from which the director is elected. When a membership is held jointly, either member, but not both, may be elected a director. The nominee in each district receiving the highest number of votes cast shall be elected. In the case of a tie vote, the election shall be decided by the flip of a coin.

The term of office for a director shall be three (3) years and staggered so that four directors are elected each year. At each regular members meeting or election date, an election shall be held from the district where the terms of directors have expired.

SECTION 3. Nominations. It shall be the duty of the Board of Directors to appoint, at least forty-five (45) days before the date of a regular members meeting or election date at which directors are to be elected, a Committee on Nominations consisting of two (2) members from each director district. The actions of the Committee on Nominations shall be valid as long as at least five (5) members are present for its meeting or meetings. No officer or member of the Board of Directors shall be appointed a member of such committee.

A member who desires to be a candidate for the Board of Directors must submit an application for director and comply with such other requirements as may be established by the Board of Directors. A member who fails to submit an application for director by the deadline established by the Board of Directors shall not be considered as a candidate for director. The Association will provide members with adequate notice of these requirements in its monthly publication and through

such other means as the Board of Directors deems appropriate.

The Committee on Nominations shall post on the Association's website at least forty (40) days before the regular members' meeting or election date a list of nominations for directors. A member who has submitted an application for director and has also participated in the nominating process as established by the Committee on Nominations, but was not nominated by the Committee on Nominations, may become a candidate for director by submitting to the Association a petition signed by ten (10) members within ten (10) days after the Committee on Nominations posts its list of nominees on the Association's website. The members who sign the petition must reside at different addresses. The Secretary shall include any additional nominations on the ballot. The Association shall also publish the list of nominees in the monthly newsletter or periodical.

The Secretary shall mail with the notice of the regular members meeting or election date a statement of the number of directors to be elected. The Secretary shall also inform the members of the manner in which they may vote by mail for directors. The members may, at any meeting at which a director or directors shall be removed as hereinbefore provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

SECTION 4. Voting by Mail for Directors. 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 regular members meeting or election date, a ballot for directors in a form prescribed by the Board of Directors. A member may vote by mail for directors by marking the ballot for the candidate of the member's choice. The member shall return the ballot by mail to the Association, or to a place designated by the Association, in a sealed, plain envelope. Ballots and instructions for marking them, ballot envelopes, and return envelopes shall be sent by first class mail to addresses recorded as the mailing address for billing of any eligible member. The ballot envelope and return envelope shall be marked "Official Ballot," and shall contain sufficient postage to assure proper return delivery. The member shall not assign the member's voting privileges to anyone other than the spouse of the member. An improperly assigned vote is not to be counted. If the ballot of the member is received by the Association on or before the date of the regular members' meeting or election date, the ballot shall be accepted and counted as the vote of the absent member.

A member who claims that a ballot was not received by such member, or that the ballot received by such member was thereafter lost, damaged or destroyed, shall be entitled to one replacement ballot. At least fifty (50) days before the election date, each nominee shall be entitled to inspect and copy at the offices of Dakota Electric Association the names and addresses of as many of the members of the

Dakota Electric Association as the nominee requests. All elections for the Board of Directors shall be under the supervision and review of a qualified firm selected by the Board of Directors. No employee or individual director of Dakota Electric Association shall participate in any aspect of the administration of the election process except as a candidate or to cast a vote as a member, or as set forth in Article III, Section 3 of these Bylaws.

SECTION 5. Vacancies

(a) If the office of any director becomes vacant, the remaining directors may appoint a successor. A director appointed to fill a vacancy shall hold office until the next regular members meeting or election date or until a successor shall have been elected and qualified.

(b) In the event that a director becomes totally incapacitated by a health condition, impairment, accident, death or other condition, the remaining directors may declare that a vacancy exists and appoint a director who shall serve until the next regular members meeting or election date or until a successor has been elected and qualified. In order to make a determination that a director has become totally incapacitated, the directors shall convene a Special Meeting to consider and evaluate: 1) whether the director is indeed incapacitated; 2) whether to remove that director as a result of his/her death or incapacity; and 3) whether to replace that director as a result of his/her death or incapacity. In evaluating whether a director is totally incapacitated, the Board may consider, for example, whether the director has not been present at three (3) consecutive board meetings because of health or illness, and is not expected to recover or be able to return to board service.

(c) If a director is absent without good reason from three regular board meetings within any one year period, the remaining directors may declare that a vacancy exists and appoint a director who shall serve until the next regular members meeting or election date or until a successor has been elected and qualified.

(d) After the Board of Directors determines that a director or a nominee 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 with hold the position from such person or to cause a director to be removed therefrom, as the case may be.

SECTION 6. Compensation. Directors shall receive reasonable compensation for service to the Association as determined by resolution of the Board of Directors.

SECTION 7. 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 Association or these Bylaws, as it may deem advisable for the management, administration, and regulation of the business and affairs of the

Association.

SECTION 8. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system and 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 Association as of the end of such fiscal year. Such audit report shall be performed by a certified public accountant, and a summary of the report shall be made available to the members annually.

ARTICLE IV MEETING OF DIRECTORS

SECTION 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may determine. Notice of the time, date and place of all regular meetings of the Board of Directors shall be published in each issue of Circuits at least three (3) weeks prior to the regular meeting. All regular meetings of the Board of Directors must be open to all members except as permitted by law.

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 for the holding of any special meeting of the Board of Directors called by them.

SECTION 3. Notice. Notice of time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written or electronic notice to all directors, unless all directors waive such notice. 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 purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened. Reasonable prior notice shall be given to the members of all special meetings of the Board of Directors.

SECTION 4. Quorum. A majority of the Board of Directors shall constitute a quorum of 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, provided further that a new notice is given to board members specifying the time and place of such adjourned meeting.

SECTION 5. Manner of Acting. 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.

SECTION 6. Recording Secretary. At all meetings of the Board of Directors, a staff person (other than the President or Executive Vice President) shall be designated as the recording secretary.

ARTICLE V OFFICERS

SECTION 1. Number. The officers of the Association shall be a Chair, Vice Chair, Secretary, Treasurer, President-Chief Executive Officer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. Except for the President-Chief Executive Officer, the officers shall be elected annually from the Board of Directors at the first meeting of the Board of Directors held after each regular members meeting or election date. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next regular members meeting or election date, or until a successor shall have been duly elected.

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 interest of the Association will be served thereby.

SECTION 4. Vacancies. Except as otherwise provided in these bylaws, the Board of Directors may fill a vacancy in any office for the unexpired portion of the term.

SECTION 5. Chair. The Chair:

- (a) shall preside at all meetings of the members and of the Board of Directors;
- (b) may sign, with the Secretary, 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 these bylaws to some other officer or agent of the Association; 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 Chair and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Vice Chair. In the absence of the Chair, or in the event of inability or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair and shall perform such other duties as from time to time may be assigned by the Board of Directors.

SECTION 7. Secretary. The Secretary shall be responsible for:

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

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

Upon the request of the Secretary, the Board of Directors shall authorize the Secretary to delegate any or all of these duties to responsible employees of the Association.

SECTION 8. Treasurer. The Treasurer shall be responsible for:

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

Upon the request of the Treasurer, the Board of Directors shall authorize the Treasurer to delegate any or all of these duties to responsible employees of the Association.

SECTION 9. President-Chief Executive Officer. The Board of Directors may appoint a President-Chief Executive Officer who shall:

- (a) be the chief executive officer and have the general charge and management of the business and the Association, subject to the control of the Board of Directors.
- (b) sign all certificates, deeds, mortgages, contracts, and other instruments as authorized by the Board of Directors.
- (c) make reports to the Board of Directors and stockholders of the Association; and
- (d) perform such other duties as may be prescribed by the Board of Directors.

SECTION 10. Bonds of Officers. The Board of Directors shall require the treasurer, or any other officer of the Association 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 Association to give bond in such amount and with such surety as it shall determine.

SECTION 11. Compensation. The Board of Directors shall fix the compensation of any officer, including the President-Chief Executive Officer.

SECTION 12. Reports. The officers of the Association shall make available annual reports to the members covering the business of the Association for the previous fiscal year and showing the condition of the Association at the close of such fiscal year.

ARTICLE VI EARNINGS DISTRIBUTION

Section 1. Members. The Association shall at all times be operated on a nonprofit basis for the mutual benefit of its members. For purposes of this Article VI, a member means a person or entity that takes delivery of electric energy from facilities owned by the Association.

Section 2. Patronage Capital in Connection with Delivering Electric Energy. In the delivery of electric energy from facilities owned by the Association, the Association's operations shall be so conducted that all members will through their patronage furnish capital for the Association. In order to induce patronage and to assure that the Association will operate on a nonprofit basis, the Association is obligated to account on a patronage basis to all its members for all amounts received and receivable from the delivery of electric energy in excess of operating costs and expenses properly chargeable against the delivery of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Association are received with the understanding that they are furnished by the members as capital. The Association is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Association 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 Association corresponding amounts for capital.

In the event of dissolution or liquidation of the Association, after all outstanding indebtedness of the Association shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis. If, at any time prior to dissolution or liquidation the Board of Directors shall determine that the financial condition of the Association 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 Association.

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 of the Association, by dealing with the Association, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Association and each member, and the Association and the members are bound by such contract, as fully as though each member 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 of the Association by posting in a conspicuous place in the Association's office.

The Association 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.

Section 3. Other Patronage Allocations. In the event that the Cooperative should engage in the business of furnishing goods or services other than the delivery of electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services may be allocated annually and returned to the members of this Cooperative, or may be used by the Cooperative as permanent, non-allocated capital. In addition, all amounts allocated to the Cooperative from other organizations that furnish services, supplies, or products to the Cooperative, and any other non-operating margins, may be allocated annually and returned to the members of this Cooperative, or may be used by the Cooperative as permanent, non-allocated capital. The Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for all such amounts heretofore or hereafter allocated to the members of this Cooperative.

ARTICLE VII

DISPOSITION OF PROPERTY AND OTHER SIGNIFICANT ACTS

The Association may not sell, mortgage, lease, or exchange more than twenty-five percent (25%) of its facilities, property rights, privileges, and franchises with no offsetting exchange of facilities; merge with or consolidate into another entity that is not a rural electric cooperative association with the meaning of the Rural Electrification Act of 1936; or dissolve the Association without authorization for the above act(s) obtained by the affirmative vote of the holders of two-thirds (2/3) (if for sale, mortgage, lease, or exchange) or a majority (if for merger, consolidation, or dissolution) of the shares of stock issued and outstanding given at a members' meeting duly called for that purpose, or obtained by the written consent of the holders of said two-thirds (2/3) or said majority of the shares of stock

issued and outstanding provided that such affirmative vote or written consent of the members shall also represent the affirmative vote or written consent of at least two-thirds (2/3) or a majority of the individual members of the Association, depending on the approval ratio required; and 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 from any other lending institution and in connection with such borrowing to authorize the making and issuance of bonds, notes, or other evidence 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 Association, whether acquired or to be acquired, and wherever situated all upon such terms and conditions as the Board of Directors shall determine. For purposes of this article, a merger with or consolidation into another rural electric cooperative association shall not be deemed a sale, mortgage, lease, or exchange. Other provisions of these bylaws notwithstanding, any repeal, amendment, or alteration of this article that would result in a change in the member approval requirements for acts described herein, must be approved by at least twenty-five percent (25%) of all members of the Association, provided that said twenty-five percent (25%) or more is a majority of those votes cast on said repeal, amendment, or alteration.

ARTICLE VIII AMENDMENTS

These bylaws may be altered, amended, or repealed by the members at any regular or special meeting or election if approved by a majority of the votes cast, provided the notice of such meeting shall have contained a summary statement of the proposed alteration, amendment, or repeal. Any repeal, amendment, or alteration of Article VII or of this sentence of this Article VIII of these bylaws, however, that results, directly or indirectly, in a change in the member approval requirements for acts described in Article VII, must be approved by at least twenty-five percent (25%) of all members of the Association, provided that said twenty-five percent or more is a majority of those votes cast on said repeal, amendment, or alteration.