

# **By Laws of Legacy Solar Wisconsin Cooperative**



## **ARTICLE I. THE COOPERATIVE.**

**Section 1.1. Authority.** Legacy Solar Cooperative (the "Cooperative") is a nonstock cooperative organized under the laws of the State of Wisconsin. The Cooperative shall have all the authority necessary to achieve its purposes and, to the extent consistent with the Articles of Incorporation, shall be permitted to do all things that can be done by a nonstock cooperative organized under the laws of the State of Wisconsin.

**Section 1.2. Cooperative Offices.** The Cooperative shall have and continuously maintain in this State a principal office and a registered agent whose office address may be, but need not be, identical with such principal office. The Cooperative may have other offices within or without the State of Wisconsin, as the Board of Directors may determine from time to time.

**Section 1.3. Purposes.** The Cooperative is organized and shall be operated exclusively for the charitable, educational or scientific purposes set forth in the Articles of Incorporation.

## **ARTICLE II. MEMBERS.**

### **Section 2.1. Membership.**

(a) **Classes of Membership.** The Cooperative shall have three (3) classes of members: individual, family, and institution. All classes of Membership are equity memberships that are purchased through the payment of the membership "fees". Both the individual and the family memberships are annual membership classes that pay an annual membership fee to continue to participate in members-only activities, but these member classes can also choose to pay a lifetime membership which will enable the individual or the family member to remain a member without having to pay the annual fee. After five (5) years of annual fees have been collected, the individual or family member has completed his or her lifetime obligations for membership (equity) fees. A discount is offered for first time members for a lifetime membership by paying 4 (times) the annual fee upfront. Institution membership is a one-time fee which covers that institution's participation in members-only activities on a renewable basis without paying any additional fees for membership. The cost for the institution membership is approximately equivalent to 5 annual membership fees for the individual or family member classes. Except as otherwise provided herein, to become a member of the Cooperative, a person or institution must submit a membership application along with a membership application fee. Acceptance of the membership application shall be subject to the sole and absolute discretion of the Board of Directors. Upon acceptance of the membership application, such person shall receive a membership certificate evidencing his or her membership in the Cooperative. To remain a member in good standing, each person shall be required to pay annual dues of the Cooperative pursuant to Section 2.1(b) below.

(b) **Membership Application Fee and Annual Dues.** The membership application fee and the annual dues of the Cooperative shall be in such an amount as the Board of Directors may from time to time determine. Membership dues shall be due and payable in advance beginning on the anniversary of the date upon which the membership application fee was first paid by the member.

- i. Individual or Family Members pay a \$25.00 annual fee for 5 years to be fully vested, or a \$100.00 fee to be a lifetime vested member. Only the first renewal at the member's first anniversary can that member apply the first \$25.00 to a \$100.00 lifetime fee. After the first renewal, the lifetime fee would be \$125.00 or the accumulation of annual fees to equal \$125.00.
- ii. Institution Members pay a one-time \$125.00 fee to be vested in the cooperative.

(c) Withdrawal. A member of the Cooperative may withdraw at any time by either declining to pay their dues as of the annual meeting or filing a written resignation with the secretary. For purposes of quorum requirements, all members who have paid their dues as of the annual meeting and have not filed a written resignation will be counted towards quorum for the year in which the dues were paid.

(d) Suspension or Termination. The membership in the Cooperative of any member may be suspended or terminated for nonpayment of dues, or for any activity or behavior which the Board of Directors in its discretion may deem contrary to the best interests of the Cooperative, by resolution of the Board of Directors. Upon the adoption of such resolution, all the rights and obligations of such member with respect to the Cooperative, except such obligations as shall have accrued prior to such suspension or termination, shall terminate. In cases of suspension, the rights and obligations of the suspended member in respect to the Cooperative shall automatically revert in such member at the expiration of the period of suspension specified in the suspension resolution.

(e) Powers. The members shall elect the Board of Directors, approve any amendment to the Articles of Incorporation, and shall have such other powers and authority granted to members by Chapter 185 of the Wisconsin Statutes, the Articles of Incorporation and these bylaws. Generally, all classes of members can participate in all levels of activity within the cooperative. The family and institution classes allow individuals of the same household and institution to participate on behalf of the "family" or institution, respectively; but for purposes of voting on cooperative matters, each family or each institution is allowed only one vote.

## Section 2.2 Meetings, Notice; Quorum; Voting.

(a) Annual and Special Meeting. There shall be an annual meeting of the members at the office of the Cooperative by December 31 of each year or at such other place and at such time as may be designated by the Board of Directors. Special meetings of the members may be called by the President, a majority of the Board of Directors, 1/5<sup>th</sup> (one-fifth) or more of the members of the cooperative, or the President may consider calling a special meeting if a group of eight (8) or more members of the Cooperative request one.

(b) Notice and Waiver of Notice. Notice of the date, time and place of any meeting shall be given by written notice hand-delivered or mailed. Members may waive this requirement and allow for notices of date, time, and place of any meeting to be sent electronically via facsimile or by other means of wireless communication to each member at his or her street address, fax number or e-mail address (as authorized by that member on the membership form or a separate waiver form for this purpose). This notice will be sent to the member's designated delivery address (or other electronic address specified in a waiver) as it appears on the records of the Cooperative at least seven (7) days, but not more than thirty (30) days, unless a different time shall be required by Chapter 185 of the Wisconsin Statutes. Such mailed notice shall be deemed to be delivered when deposited in the United States mail addressed to a member at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid. The attendance of a member at a

meeting shall constitute a waiver of notice of such meeting, except where a member attends the meeting for the express purposes of objecting to the transaction of any business because the meeting is not lawfully called or convened.

(c) Quorum. Ten percent (10%) of the first one hundred (100) members plus five percent (5%) of additional members shall constitute a quorum for the transaction of business; provided, however, that a quorum shall never be more than fifty (50) members nor less than five (5) members or a majority of all members, whichever is smaller. Members represented by signed ballots may be counted in computing a quorum only on those motions for which signed ballots were submitted.

(d) Voting by Members.

1. General. Only members in good standing as of the annual meeting each year shall have the right to vote at the annual meeting of members held in that year. At each meeting of the members, each member shall be entitled to cast one (1) vote on matters presented to the membership for its approval. A family, institution, life-time family, or life-time institution membership shall entitle the holder(s) thereof to cast one (1) collective vote on matters presented to the membership for its approval, regardless of how many representatives attend the meetings of the Cooperative. For example, if an institution member has ten (10) persons who attend the annual meeting of the Cooperative, such institution member shall only be allowed to cast one (1) vote on each matter presented to the membership for its approval. Such matters presented to the membership shall be: election and removal of the Board of Directors and approval of any amendments to the By Laws or Articles of Incorporation. The act of the majority of the members at a meeting at which a quorum is present shall be the act of the membership, except to the extent that a greater proportion is required by law, the Articles of Incorporation or these Bylaws. Voting by proxy shall not be permitted.

2. Ballot Voting. A member who is entitled to vote on a motion but will be absent from the meeting at which the vote is to be taken may vote by submitting a signed ballot if the member received a ballot for the vote on the motion together with notice of the meeting at which the vote will be taken and an exact copy of the motion and any resolution to which it pertains. Members who are entitled to vote on a motion may elect or remove the Board of Directors by signed ballots. If absentee ballots are distributed to some but not all of the members, and a quorum of members at the designated meeting pass a motion to change the wording of the resolution to be voted upon, the absentee ballots are invalid, pursuant to 185.12(5).

Section 2.3. Informal Action by Members. Any action which may be taken at a meeting of the members, also may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the members, then in good standing, entitled to vote with respect to the subject matter thereof, as the case may be. Any consent signed by all the members shall have the same effect as a unanimous vote, and may be stated as such in any document filed with the Wisconsin Department of Financial Institutions or with anyone else.

Section 2.4. Procedure at Meetings. The President, and in his or her absence, the Vice-President, and in his or her absence, any person chosen by the members present shall call the meeting of the members to order and shall act as chairperson of the meeting, and the Secretary of the Cooperative shall act as secretary of all meetings of the members, but, in the absence of the Secretary, the presiding officer may appoint any other person to act as secretary of the meeting.

### ARTICLE III. BOARD OF DIRECTORS.

#### Section 3.1. Composition, Election, Terms of Office, Vacancies, and General Powers.

(a) Composition. The business affairs of the Cooperative shall be governed by a Board of Directors. Until the first annual meeting of the members of the Cooperative, this board shall consist of the three (3) persons named as initial directors in the Articles of Incorporation. At all times thereafter, this board shall consist of at least three (3) but no more than nine (9) voting members elected by an affirmative vote of a majority of the members of the Cooperative at each annual meeting of members. All directors must be members in good standing of the Cooperative. The Chief Executive Officer (otherwise known as the Executive Director) of the Cooperative shall serve as an ex-officio, voting member of the Board of Directors.

(b) Term of Office. All directors other than the initial directors shall hold office from the close of the annual meeting at which they are elected for a staggered term of two (2) years, or until their successors have been elected and qualified. Directors may serve consecutive terms.

(c) Resignation and Removal. A director of the Cooperative may resign at any time by filing a written resignation with the secretary. Further, the members of the Cooperative may remove a director from office, with or without cause, by the vote of two-thirds (2/3rds) of the members who are in good standing.

(d) Vacancies. A vacancy on the Board of Directors, occurring other than by expiration of the director's term, shall be filled by appointment by the remaining directors of the Cooperative for the unexpired portion of the director's term.

(e) General Powers. The Board of Directors shall have full power and authority to perform any and every lawful act deemed necessary or proper to carry out the purposes of the Cooperative. The Board of Directors shall have the power to enact, maintain and enforce, and from time to time, amend, alter and repeal, all suitable lawful rules and regulations for the governance of the Cooperative and perform other acts not inconsistent with law, these Bylaws, or the Articles of Incorporation.

#### Section 3.2. Committees and Positions.

(a) The Board of Directors is empowered to establish such committees and positions as it shall deem appropriate for the conduct of the business of the Cooperative. The board shall appoint from the membership of the Cooperative persons to serve in such positions or on such committees, or as the chairperson's of such committees.

#### Section 3.3. Meetings, Notice; Quorum; Voting.

(a) Annual and Special Meeting. There shall be an annual meeting of the Board of Directors at the office of the Cooperative by December 31 of each year or at such other place and at such time as may be designated by the President of the Cooperative. Special meetings of the Board of Directors may be called by the President or a majority of directors.

(b) Notice. Notice of the date, time and place of any meeting shall be given by written notice delivered, mailed, or sent electronically via facsimile or other means of wireless communication to each director at his or her street address, fax number or e-mail address (as applicable) as it appears

on the records of the Cooperative at least seven (7) days, but not more than thirty (30) days, unless a different time shall be required by Chapter 185 of the Wisconsin Statutes. Such mailed notice shall be deemed to be delivered when deposited in the United States mail addressed to a director at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

(c) Quorum. A simple majority of the Board of Directors shall constitute a quorum of the board.

(d) Voting. At each meeting of the Board of Directors, each director shall be entitled to cast one (1) vote on all matters presented to the board for its approval. The act of the majority of the directors at a meeting at which a quorum is present shall be the act of the board, except to the extent that a greater proportion is required by law, the Articles of Incorporation or these Bylaws. Voting by proxy shall not be permitted.

Section 3.4. Informal Action by Directors. Any action which may be taken at a meeting of the Board of Directors, or of any committee of the Board of Directors, also may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors or committee members, then serving, entitled to vote with respect to the subject matter thereof, as the case may be. Any consent signed by all the directors or all the members of the committee shall have the same effect as a unanimous vote, and may be stated as such in any document filed with the Secretary of State or with anyone else.

Section 3.5. Procedure at Meetings. The President of the Board, and in the President's absence, the Vice-President, and in the Vice-President's absence, any director chosen by the directors present, shall call meetings of the Board of Directors to order and shall act as the presiding officer of such meetings. The presiding officer may appoint any director or other person to act as secretary of the meeting.

Section 3.6. Director Conflict of Interest.

(a) Each director shall disclose to the Board of Directors any duality of interest or possible conflict of interest whenever the duality or conflict of interest pertains to a matter considered by the Board of Directors.

(b) No contract or other transaction between this Cooperative and one or more of its directors or any other Cooperative, firm, association or entity in which one or more of its directors are directors or officers or has a material financial interest shall be either void or voidable: (i) because of such relationship or interest, or (ii) because such director or directors are present at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction, or (iii) because such director's or directors' votes are counted for such purpose; provided that:

(1) either:

(i) the fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors; or

(ii) the fact of such relationship or interest is disclosed or known to the members entitled to vote and they authorize, approve or ratify such contract or transaction by vote or written consent; and

(2) the contract or transaction is fair and reasonable to the Cooperative.

Common or interested directors shall abstain from voting on the matter and may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.

(c) The Board of Directors may adopt a separate Conflicts of Interest Policy. Such a Policy may include disclosure provisions which conform to Section 3.6(b) above. Alternatively, such a Policy may require greater disclosure than as required by Section 3.6(b) above, and in addition, may impose voting restrictions and/or establish strict criteria for Board approval of such contracts or transactions. In no event, however, shall a Conflicts of Interest Policy call for less disclosure and/or be less burdensome than as set forth in Section 3.6(b) above.

Section 3.7. Telephonic Meetings. Any action required or permitted by the Articles of Incorporation or Bylaws or any provision of law to be taken by the Board of Directors at a meeting or by resolution may be taken through the use of any means of communication by which (a) all participating directors can simultaneously hear each other during the meeting or (b) all communication during the meeting is immediately transmitted to each participating director and each participating director is able to immediately send messages to all other participating directors. This means by which to conduct a meeting will only be used if the agenda and specific items to be decided upon are delivered in advance to all directors within the time period required for convening a meeting pursuant Chapter 185. Correspondence by means of another form of communication, such as using an online virtual meeting space, as long as it satisfies the 3.7 (a) and (b) above, shall conclusively be deemed to comply with this Section 3.7.

Section 3.8. Chief Executive Officer. The Cooperative shall employ a Chief Executive Officer (a position that sometimes may be referred to as the Executive Director, or Managing Director) who shall, subject to the control and supervision of the Board of Directors, in general supervise and control all of the business affairs of the Cooperative. The Chief Executive Officer shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the Cooperative as he or she shall deem necessary to carry out the purposes of the Cooperative as set forth in the Articles of Incorporation and these Bylaws, to prescribe their powers, duties, and compensation and to delegate authority to them. Such agents and employees shall hold office at the discretion of the President. The Chief Executive Officer shall be the staff to the Board of Directors and shall attend all meetings of the Board of Directors and be an ex-officio, voting director. In general, he or she shall perform all duties incident to the office of the Board of Directors and such other duties as may be prescribed by the Board of Directors from time to time.

#### ARTICLE IV. OFFICERS.

Section 4.1. Selection, Term, Resignation and Removal of Officers.

(a) Officers. The officers of the Cooperative shall consist of a President, Vice-President, Secretary, and a Treasurer. Any two or more offices may be held by the same person, except for the offices of the President and Secretary, or President and Vice-President.

(b) Election. The initial officers of the Cooperative shall be elected by a majority vote of the Board of Directors contemporaneously with the adoption of these Bylaws or as soon thereafter as practicable. Successor officers shall be elected from among the membership of the Board of Directors by a majority vote of the Board of Directors at each annual meeting of the Board of Directors of the Cooperative. The members of Legacy Solar Cooperative shall be notified of the results of the elections within three days.

(c) Term of Office. Officers shall hold office for a term of one (1) year or until their successors shall be elected and qualified. Any officer may serve consecutive terms in the same office.

(d) Resignation and Removal. Any officer may resign at any time by filing a written resignation with the secretary. Any officer may be removed, with or without cause, by a two-thirds (2/3rds) vote of the members of the Board of Directors then holding office.

(e) Vacancies. In case of a vacancy in any office, by resignation or for any other reason, the Board of Directors shall fill such vacancy for the unexpired portion of the term.

#### Section 4.2. Duties.

(a) President of the Board of Directors. The President of the Board of Directors shall preside at all meetings of the Board of Directors and shall have all of the responsibilities and shall exercise all of the authority which this office customarily requires.

(b) Vice-President. The vice-President shall exercise all the powers, authority and duties of the President during the absence or disability of the President.

(c) Secretary.

(i) The secretary shall keep the minutes of all proceedings of the Board of Directors in books provided for that purpose, and shall keep the book of Bylaws, and such other books and papers as the Board of Directors may direct. The secretary shall attend to the giving and serving of notices of all meetings of the Board of Directors and otherwise. The secretary shall execute with the President, in the name of the Cooperative, all contracts and instruments which have been first approved by the Board of Directors.

(ii) The secretary shall perform such additional duties connected with the operation of the Cooperative customarily pertaining to the office of secretary and as directed by the president or the Board of Directors.

d) Treasurer.

(i) The treasurer shall receive and deposit all funds of the Cooperative in the depository institution or institutions selected by the Board of Directors, which funds shall be withdrawn only by checks or orders executed in the name of the Cooperative by the treasurer or President (or subordinates under their direction and control). The treasurer shall also account for all receipts, disbursements and balance on hand and report regarding the same when and as requested by the President or Board of Directors.

(ii) The treasurer shall perform such additional duties connected with the operation of the Cooperative customarily pertaining to the office of treasurer and as directed by the President or the Board of Directors.

ARTICLE V. CORPORATE SEAL. The Cooperative shall not have a corporate seal.

ARTICLE VI. INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS.

Section 6.1. Mandatory Indemnification. The Cooperative shall to the maximum extent permitted under Chapter 185 of the Wisconsin Statutes, as amended, indemnify against liability and allow reasonable expenses of any person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, employee or agent of or volunteered services to the Cooperative; or is or was serving at the request of the Cooperative as a director, officer, employee or agent of any committee or of any other Cooperative or enterprise unless liability was incurred because the director or officer breached or failed to perform a duty that he or she owes to the Cooperative and the breach or failure to perform constitutes any of the following:

- (a) A willful failure to deal fairly with the Cooperative or its members in connection with a matter in which the director or officer has a material conflict of interest;
- (b) A violation of the criminal law, unless the director or officer had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful;
- (c) A transaction from which the director or officer derived an improper personal profit or benefit;
- (d) Willful misconduct.

Such right of indemnification shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person. Nothing in this Section shall require or establish any obligation to indemnify (i) any employee or staff of the Cooperative, as to or related to any claim, action or matter including but not limited to claims or actions arising from or related to employment, contract or termination in which such individual or individuals are adverse parties to or otherwise adverse to the Board of Directors of the Cooperative, or (ii) any firm or organization which supplies staff or staff assistance to the Cooperative.

Section 6.2. Supplementary Benefits. The Cooperative may supplement the right of indemnification under Section 6.1 by the purchase of insurance, indemnification agreements, and advances for related expenses of any person indemnified.

ARTICLE VII. COOPERATIVE ACTS; NET REMAINDER INCOME; LOANS; DEPOSITS.

Section 7.1. Cooperative Acts. Unless otherwise directed by resolution of the Board of Directors or by law, all checks, drafts, bills of exchange, and similar orders for the payment of money of the Cooperative shall be signed by the Chief Executive Officer, President, or Treasurer,



and all notes, bonds, deeds, mortgages, conveyances, and other written contracts, agreements and instruments to which the Cooperative shall be a party, and all assignments or endorsements of stock certificates, registered bonds, or other securities owned by the Cooperative shall be signed by the President and by any one of the following officers who is a different person: Vice-President, Secretary, or Treasurer. The Board of Directors may, however, delegate such authority, or may authorize any one of such officers or one or more other officers or agents to sign any of such instruments for and on behalf of the Cooperative without necessity of counter signature.

Section 7.2. Net Remainder Proceeds. All of the Cooperative's net proceeds that remain after the payment of operating expenses and costs, taxes, the cost of supplies, commodities, equipment, and other property or services procured or sold for members; the cost of services performed for members; and reasonable and necessary reserves for depreciation, depletion, and obsolescence of physical property, doubtful accounts, and other valuation reserves established in accordance with usual and customary accounting reserves (the "Net Remainder Proceeds"); shall constitute income of the Cooperative pursuant to Section 185.45(3) of the Wisconsin Statutes. The Net Remainder Proceeds shall not be distributed to members of the Cooperative unless otherwise provided for by amendment to the bylaws, but shall be retained and used in furtherance of the Cooperative's purposes as determined by the Board of Directors.

Section 7.3. Loans. No funded indebtedness shall be contracted on behalf of the Cooperative and no evidence of such indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. The Cooperative may engage in capital campaigns and lending arrangements with members in order to develop the business of the cooperative to expand solar energy and energy efficiency projects in our communities. The Chief Executive Officer (otherwise known as the Executive Director) has the authority to issue bonds to members without a second counter-signature by an officer. The Board has granted this authority to the CEO/Executive Director.

Section 7.4. Deposits. All funds of the Cooperative, not otherwise employed, or subject to immediate distribution, shall be deposited from time to time to the credit of the Cooperative in such banks, savings and loan associations, trust companies, or other depositories as the Board of Directors may select.

#### ARTICLE VIII. AMENDMENTS.

Section 8.1. Amendments. These Bylaws may be repealed or amended or new Bylaws adopted by a majority vote of members of the Board of Directors then holding office at any meeting of the Board of Directors then called for that purpose or at any regular meeting of the Board of Directors. Any repeal or amendment of these Bylaws, or adoption of new Bylaws, shall be consistent with the requirements imposed upon cooperatives under Chapter 185 of the Wisconsin Statutes, as amended from time to time. Any change made to these Bylaws must be presented to the members at the next membership meeting. The membership shall retain the power to amend or repeal the changes adopted by the Board.

#### ARTICLE IX. DISSOLUTION.

Section 9.1. Effect of Dissolution. In the event of dissolution of the Cooperative, the Board of Directors shall after paying or making provision for the payment of all of the liabilities of the Cooperative, dispose of all of the assets exclusively for the purposes of the Cooperative in such a

manner as the Board of Directors shall determine to another cooperative organized under Chapter 185 of the Wisconsin Statutes, as amended from time to time, provided that cooperative also qualifies at the time as an exempt organization under Section 501(c)(3) of the Code, or to such organization or organizations, organized and operated exclusively for charitable, educational, or scientific purposes as at the time shall qualify as an exempt organization or organizations under Section 501(c)(3) of the Code.

*End of By Laws for Legacy Solar Cooperative.*