SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION OF ATC MANAGEMENT INC.

The following second amended and restated articles of incorporation of ATC Management Inc., duly adopted pursuant to the authority and provisions of Chapter 180 of the Wisconsin Statutes, supersede and take the place of the existing articles of incorporation and any amendments thereto:

I.

The name of the Corporation is ATC Management Inc.

II.

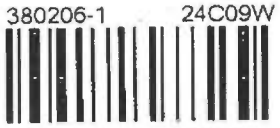
The Corporation is organized under Chapter 180 of the Wisconsin Statutes.

III.

The Corporation shall have the authority to issue 130,000,000 shares of Stock, consisting of 30,000,000 shares of Preferred Stock, par value $.01 per share, and 100,000,000 shares of Common Stock, $.01 par value per share. All issued and outstanding shares of the Corporation's Class A Common Stock shall, without any further action by the holder thereof, be converted into issued and outstanding Common Stock.

A. Preferred Stock. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, by filing one or more articles of amendment pursuant to the Wisconsin Business Corporation Law (each, a "Preferred Stock Designation"), to fix or, as permitted by the Wisconsin Business Corporation Law, alter from time to time the designations, powers, preferences and rights of each such series of the Preferred Stock and the qualifications, limitations or restrictions thereof, including without limitation the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and the liquidation preferences of any wholly unissued series of the Preferred Stock, and to establish from time to time the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

B. Common Stock. Subject to the succeeding Article, the holders of Common Stock shall have the right to elect all the directors of the Corporation, as set forth in the Corporation's Bylaws, subject to any rights of any holders of Preferred Stock, and shall possess all other voting rights incident to shares of Common Stock under Chapter 180 of the Wisconsin Statutes.



IV.

A. Voting Limitations. On all matters (including, without limitation, the election of directors), other than Fundamental Matters (as defined below), a Dominant Shareholder (as defined below) shall not be entitled independently to vote, or consent with respect to, in excess of 34.07% of the voting power of the outstanding voting stock of the Corporation, and all other shares of the voting stock held by a Dominant Shareholder shall be voted, or consented with respect to, in proportion to the way in which the other shareholders of the Corporation who are not affiliated with a Dominant Shareholder vote or consent their respective shares of the voting stock. In addition, a Dominant Shareholder shall not be permitted to use its voting power in the Corporation to initiate a Fundamental Matter, or otherwise seek or propose to amend the governing documents of the Corporation or any of its subsidiaries, or the operating agreement of American Transmission Company LLC, to provide voting or consent rights with respect to a matter that does not, as of January 14, 2015, require a vote or consent of the shareholders of the Corporation, or require a vote or consent of the members of American Transmission Company LLC, as applicable.

B. Exceptions. Notwithstanding the foregoing, the voting limitation on a Dominant Shareholder set forth in the paragraph above shall not operate or be applied in a manner that would provide another shareholder (or affiliated group of shareholders) of the Corporation with voting power in excess of the voting power of a Dominant Shareholder. To the extent that the limitation set forth in the preceding sentence shall apply, the shares that would have been voted in excess of such voting power shall be voted, or consented with respect to, by such Dominant Shareholder in proportion to the way in which the other shareholders of the Corporation vote, or consent with respect to, their respective shares of voting stock. For the avoidance of doubt (1) all shares shall be voted and (2) the reference to "other shareholders of the Corporation" in the preceding sentence shall exclude (i) any shareholders affiliated with the Dominant Shareholder and (ii) any shareholder (or affiliated group of shareholders) that has or would have voting power in excess of the voting power of a Dominant Shareholder. For purposes of this paragraph, the voting power of a shareholder shall include any shares voted or consented (or to be voted or consented) by a Dominant Shareholder in the way in which such shareholder votes.

C. Definitions. For purposes of this Article IV, (1) the term "Fundamental Matter" means (and is limited to) the following matters (in each case, only to the extent that the Articles of Incorporation or the Bylaws of the Corporation or applicable law requires the vote or consent of the shareholders of the Corporation): (i) the sale of substantially all of the assets of the Corporation; (ii) the merger, consolidation or share exchange of the Corporation; (iii) amendments to the Articles of Incorporation or Bylaws of the Corporation that would disproportionately and adversely affect a Dominant Shareholder's express rights as a shareholder of the Corporation relative to the other shareholders of the Corporation; (iv) the bankruptcy of the Corporation; and (v) an initial public offering of the Corporation; and (2) the term "Dominant Shareholder" means any shareholder of the Corporation (including such shareholder's subsidiaries and affiliates) holding voting stock of the Corporation representing 34.07% or more of the voting power of the outstanding stock of the Corporation.

V.

The number of directors constituting the Board of Directors shall be designated in the Corporation's Bylaws. The terms of the directors may be staggered to the extent provided in the Corporation Bylaws.

VI.

The Corporation's Bylaws may provide for voting approval requirements for shareholders or voting groups of shareholders for certain actions that are greater than what is provided by the Wisconsin Business Corporation Law.

VII.

The name and street address of the registered agent and registered office of the Corporation are CT Corporation, 8040 Excelsior Drive, Suite 200, Madison, WI 53717.

VII.

These Second Amended and Restated Articles of Incorporation of the Corporation were duly adopted in accordance with Section 180.1003 of the Wisconsin Statutes on November 18, 2015.

These Second Amended and Restated Articles of Incorporation shall become effective upon filing.

IN WITNESS WHEREOF, the Company has caused these Second Amended and Restated Articles of Incorporation to be executed by its duly authorized representative on this 18th day of November, 2015.

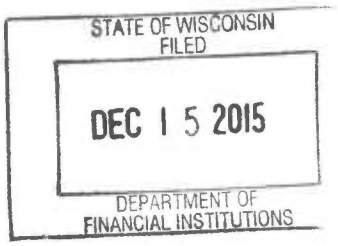
ATC MANAGEMENT INC.

By: _____

Name: Mike Rowe
Title: CEO and President

This instrument was drafted by and is returnable to:

Nathan E. DeBaun, Esq.
ATC Management Inc.
W234N2000 Ridgeview Parkway Court
Waukesha, WI 53188-1022



For Office

State of Wisconsin

Department of Financial Institutions

Endorsement

RESTATED ARTICLES OF INCORPORATION STOCK FOR-PROFIT CORPORATION - Ch. 180

ATC MANAGEMENT INC.

Received Date: 12/11/2015

Filed Date: 12/15/2015

Filing Fee: $40.00

Expedited Fee: $25.00

Total Fee: $65.00

Entity ID#: A040648

Changes authorized shares from 130,000,000 shs @ $0.01 pv
(30,000,000 shs ps)
(100,000,000 shs cs)
(99,999,990 shs Class A)
(10 shs Class B)

to:

130,000,000 shs @ $0.01 pv
(30,000,000 shs ps)
(100,000,000 shs cs)

Effective Date: December 15, 2015

FOURTH AMENDED AND RESTATED BYLAWS

OF

ATC MANAGEMENT INC.

The following terms used in these Bylaws shall have the following meanings:

"**Articles of Incorporation**" means the Second Amended and Restated Articles of Incorporation of the Corporation, dated November 18, 2015, and as the same may be amended and restated from time to time.

"**Common Stock**" means the common stock of the Corporation, as described in the Articles of Incorporation.

"**Company**" means American Transmission Company LLC, a Wisconsin limited liability company.

"**Corporation**" means ATC Management Inc., a Wisconsin corporation.

"Director" means one of the people chosen to control or govern the affairs of the Corporation as a member of the Board of Directors.

"**Independent Director**" means a person who is not a director, employee or independent contractor of a person engaged in the production, sales, marketing, transmission or distribution of electricity or natural gas or an affiliate of such person.

"**Listing**" means the closing of an offering of Common Stock that has the effect of listing such shares on the New York Stock Exchange, American Stock Exchange, Nasdaq National Market System, or any of their successors.

"**Operating Agreement**" means the Amended and Restated Operating Agreement of American Transmission Company LLC, dated as of December 1, 2015, as amended from time to time.

"**Preferred Stock**" means preferred shares of stock of the Corporation, as described in the Articles of Incorporation.

These Fourth Amended and Restated Bylaws supersede and replace entirely any and all prior bylaws of the Corporation and shall be effective as of, and in effect on November 6, 2015.

ARTICLE I

CAPITAL STOCK

Section 1.1 Classes.

(a) There shall be two classes of capital stock of the Corporation, common and preferred, the preferences, limitations and relative rights of which are set forth in the Articles of Incorporation.

(b) Subject to any restrictions imposed by the Wisconsin Business Corporation Law, the Board of Directors may issue additional shares of capital stock from time to time.

Section 1.2 Certificates. The shares of capital stock of the Corporation shall be evidenced by certificates in forms prescribed by the Board of Directors and executed in any manner permitted by law and stating thereon the information required by law. Transfer agents and/or registrars for one or more classes of shares of the Corporation may be appointed by the Board of Directors and may be required to countersign certificates representing shares of such class or classes. If any officer whose signature or facsimile thereof shall have been used on a share certificate shall for any reason cease to be an officer of the Corporation and such certificate shall not then have been delivered by the Corporation, the Board of Directors may nevertheless adopt such certificate and it may then be issued and delivered as though such person had not ceased to be an officer of the Corporation.

Section 1.3 Lost, Destroyed and Mutilated Certificates. Holders of the shares of the Corporation shall immediately notify the Corporation of any loss, destruction or mutilation of a certificate of shares, and the Board of Directors may in its discretion cause one or more new certificates for the same number of shares in the aggregate to be issued to such shareholder upon the surrender of the mutilated certificate or upon satisfactory proof of such loss or destruction, and the deposit of a bond in such form and amount and with such surety as the Board of Directors may require.

Section 1.4 Transfer of Shares. The shares of the Corporation shall be transferable or assignable only on the books of the Corporation by the holder in person or by attorney on surrender of the certificate for such shares duly endorsed and, if sought to be transferred by attorney, accompanied by a written power of attorney to have the same transferred on the books of the Corporation. The Corporation will recognize, however, the exclusive right of the person registered on its books as the owner of shares to receive dividends and to vote as such owner.

Section 1.5 Fixing Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than 70 days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which

notices of the meeting are mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date, which it shall do if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 2.1 Places of Meetings. All meetings of the shareholders shall be held at such place, either within or without the State of Wisconsin, as from time to time may be fixed by the Board of Directors.

Section 2.2 Annual Meetings. The annual meeting of the shareholders, for the election of Directors and transaction of such other business as may come before the meeting, shall be held in each year on the third Tuesday in June, at 10 a.m., or such other day as shall be determined by the Board of Directors.

Section 2.3 Special Meetings. A special meeting of the shareholders for any purpose or purposes may be called at any time by the Chairman of the Board, the President or any Director. In addition, the Corporation shall call a special meeting upon the demand of holders of at least 10% of all votes entitled to be cast on any issue proposed to be considered at the proposed special meeting, which demands shall be signed and dated and shall describe one or more purposes for which the meeting is to be held. At a special meeting no business shall be transacted and no corporate action shall be taken other than that stated in the notice of the meeting.

Section 2.4 Notice of Meetings. Written or printed notice stating the place, day and hour of every meeting of the shareholders and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be mailed not less than 10 days nor more than 45 days before the date of the meeting to each shareholder of record entitled to vote at such meeting, at such address as appears in the books of the Corporation. Such further notice shall be given as may be required by law, but meetings may be held without notice if all the shareholders entitled to vote at the meeting are present in person or by proxy or if notice is waived in writing by those not present, either before or after the meeting.

Section 2.5 Quorum. Any number of shareholders together holding at least a majority of the outstanding shares of capital stock entitled to vote with respect to the business to be transacted, who shall be present in person or represented by proxy at any meeting duly called, shall constitute a quorum for the transaction of business, except that shares held by a Dominant Shareholder shall not by themselves constitute a quorum. If less than a quorum shall be in attendance at the time for which a meeting shall have been called, the meeting may be adjourned from time to time by a majority of the shareholders present or represented by proxy without notice other than by announcement at the meeting.

Section 2.6 Voting.

(a) Subject to Article IV of the Articles of Incorporation, at any meeting of the shareholders each shareholder of a class entitled to vote on a matter coming before the meeting shall, as to such matter, have one vote, in person or by proxy, for each share of capital stock of such class standing in its name on the books of the Corporation on the date, not more than seventy days prior to such meeting, fixed by the Board of Directors as the record date for the purpose of determining shareholders entitled to vote. Every proxy shall be in writing, dated and signed by the shareholder entitled to vote or its duly authorized attorney-in-fact.

(b) Subject to Article IV of the Articles of Incorporation, the act of shareholders holding a majority of Common Stock at which a quorum is present shall be the act of such class of shareholders; *provided, however*, that (i) amendment of any provision of these Bylaws that incorporates or embodies a provision of 1999 Wisconsin Act 9; or (ii) amendment of Section 3.6(d) with respect to the requirement of a two-thirds affirmative vote by the Directors to issue Preferred Stock, shall, in each case, require the vote of at least two-thirds of the shares of Common Stock outstanding.

Section 2.7 Inspectors. An appropriate number of inspectors for any meeting of shareholders may be appointed by the Chairman of such meeting. Inspectors so appointed will open and close the polls, will receive and take charge of proxies and ballots, and will decide all questions as to the qualifications of voters, validity of proxies and ballots, and the number of votes properly cast.

ARTICLE III

DIRECTORS

Section 3.1 General Powers. The property, affairs and business of the Corporation shall be managed under the direction of the Board of Directors, and, except as otherwise expressly provided by law, the Articles of Incorporation or these Bylaws, all of the powers of the Corporation shall be vested in such Board. Without limiting the foregoing, the Board will consider and approve, for each fiscal year, an operating and a capital budget for the Company.

Section 3.2 Number of Directors.

(a) The number of Directors shall be 11, at least 4 of whom shall be Independent Directors. The Chief Executive Officer of the Corporation shall be a Director.

(b) A decrease in the number of Directors shall not shorten an incumbent Director's term.

Section 3.3 Term. Four Independent Directors shall be elected for four-year terms; provided, that initially one such Director shall be elected for a one-year term, one for a two-year term, and one for a three-year term. If more than four Directors qualify as Independent Directors, the Board, by majority vote, shall designate the four Independent Directors who shall serve these terms. All other Directors, whether meeting the qualifications for an Independent Director or not, shall be elected annually.

Section 3.4 Nomination of Directors. The process for the nomination of Directors shall be as follows:

(a) At least 120 days prior to the annual meeting of shareholders, 1) the Nominating and Board Affairs Committee established by the Board of Directors shall present a proposed slate of candidates for the Board of Directors to be voted on at the annual meeting of shareholders and 2) the Corporation shall send such slate of candidates to the shareholders, together with a description of their background and qualifications.

(b) If a shareholder or group of shareholders owning at least 3% of the Common Stock desires to nominate one or more candidates to the Board of Directors different than the proposed slate, it shall submit a letter to the Corporation at least 45 days prior to the annual meeting of shareholders, together with the following information:

(i) the name and address, as they appear in the books of the Corporation, of such shareholder or group of shareholders by whom the nomination is made;

(ii) the number of shares of Common Stock which are beneficially owned by such shareholder or group of shareholders;

(iii) a representation that such shareholder or each shareholder in a group of shareholders is a holder of record entitled to vote and intends to appear in person or by proxy at such meeting of shareholders;

(iv) the name, occupation, employer, and address of the shareholder or group of shareholders' nominee(s) for Director;

(v) a description of all agreements, arrangements or understandings between each shareholder and the nominee that has been entered into as of the date of the nomination;

(vi) if the shareholder nominee is intended to oppose a Board nominee for Independent Director, the specific Board of Director nominee(s) whom the shareholder or group of shareholders' nominee(s) is opposing;

(vii) the qualifications of the shareholder or group of shareholders' nominee(s), and any statements regarding such nominee(s);

(viii) the written consent of each nominee to being nominated and to serve as a Director if so elected;

(ix) written and signed disclosure by each nominee of his or her status under the Federal Power Act's prohibition on interlocking directorates; and

(x) with respect to a nominee as an Independent Director, written and signed disclosure by each Independent Director nominee confirming his or her ability to qualify as an Independent Director.

(c) Any nominations submitted by a shareholder or group of shareholders whose ownership falls to less than 3% of the Common Stock prior to the record date for the annual meeting of shareholders shall be deemed withdrawn.

(d) The Corporation shall send the shareholder or group of shareholders' nomination of candidates to the shareholders at least 30 days prior to the annual meeting of shareholders.

(e) No nominee shall be considered for Director unless he or she has been nominated by the Nominating and Board Affairs Committee or by a shareholder or group of shareholders pursuant to the foregoing provisions.

Section 3.5 Election and Removal of Directors.

(a) Directors shall be elected at each annual meeting of shareholders to succeed those Directors whose terms have expired and to fill any vacancies then existing. Subject to Article IV of the Articles of Incorporation, the Directors shall be elected by the holders of a majority of the shares represented at the meeting.

(b) Any Director may be removed from office at a meeting called expressly for that purpose by the vote of shareholders holding not less than a majority of the shares entitled to vote at an election of such Director.

(c) Any vacancy on the Board of Directors, whether resulting from death, resignation, retirement, disqualification or other cause may be filled by a majority vote of the remaining Directors, and the term of office of any Director so elected shall expire at the next shareholders' meeting at which Directors are elected, regardless of the term of the vacant directorship. The term of any Independent Director elected to that directorship at the annual meeting of shareholders shall be equal to the remaining term of the vacant directorship.

Section 3.6 Meetings of Directors.

(a) An annual meeting of the Board of Directors shall be held as soon as practicable after the adjournment of the annual meeting of shareholders at such place as the Board may designate. Other meetings of the Board of Directors shall be held at places within or without the State of Wisconsin and at times fixed by resolution of the Board, or upon call of the Chairman of the Board, the President or upon the written request of two or more Directors. The Secretary or officer performing the Secretary's duties shall give not less than 48 hours' notice by letter, electronic transmission or telephone (or in person) of all meetings of the Board of Directors, provided that notice need not be given of the annual meeting or of regular meetings held at times and places fixed by resolution of the Board. Meetings may be held at any time without notice if

all of the Directors are present, or if those not present waive notice in writing either before or after the meeting. The notice of meetings of the Board need not state the purpose of the meeting.

(b) Any regular or special meeting of the Board of Directors may be held by or through any means of communication by which all participating Directors may simultaneously hear each other during the meeting, or whereby all communications during the meeting are immediately transmitted to each participating Director, and each participating Director is able to immediately send messages to all other participating Directors. If a meeting is held in reliance on the foregoing, all participating Directors shall be informed that a meeting is taking place at which official business may be transacted. A Director participating in a meeting pursuant to the foregoing is deemed to be present in person at the meeting.

(c) Action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting if the action is taken by all of the Directors of the Board of Directors as evidenced by one or more written consents. Such written consent or consents shall be signed by each Director either before or after the action is taken, state the action taken, and be included in the minutes or filed with the corporate records reflecting the action taken.

(d) Until the Listing, two-thirds of the number of Directors prescribed in these Bylaws shall constitute a quorum for the transaction of business. Thereafter, a majority of the number of Directors prescribed in these Bylaws shall constitute a quorum for the transaction of business. The act of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, provided that any decision to issue Preferred Stock will require the affirmative vote of at least two-thirds of the Directors then in office. Less than a quorum may adjourn any meeting.

Section 3.7 Compensation. By resolution of the Board, Directors may be allowed a fee and expenses for attendance at all meetings, but nothing in these Bylaws shall preclude Directors, other than Independent Directors, from serving the Corporation in other capacities and receiving compensation for such other services.

Section 3.8 Qualification of Directors. If a Director attains the age of 72, he or she shall resign from the Board effective the next annual meeting for the election of Directors.

ARTICLE IV

COMMITTEES

Section 4.1 Executive Committee. The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these Bylaws, may elect an Executive Committee which shall consist of not less than three elected Directors, including the Chief Executive Officer and one Independent Director, and shall designate a Chairperson of the Executive Committee. When the Board of Directors is not in session, the Executive Committee shall have all power vested in the Board of Directors by law, by the Articles of Incorporation, or by these Bylaws, provided that the Executive Committee shall not have power to approve or recommend to shareholders action that the Wisconsin Business Corporation Law requires to be approved by shareholders, fill vacancies on the Board or on any of its committees, amend the Articles of Incorporation, adopt,

amend, or repeal the Bylaws, approve a plan of merger not requiring shareholder approval, authorize or approve a distribution, except according to a general formula or method prescribed by the Board of Directors, or authorize or approve the issuance or sale or contract for sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares, other than within limits specifically prescribed by the Board of Directors.

The Executive Committee shall report at the next regular or special meeting of the Board of Directors all action, which the Executive Committee may have taken on behalf of the Board since the last regular or special meeting of the Board of Directors.

Section 4.2 Finance Committee. The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these Bylaws, may elect a Finance Committee, which shall consist of not less than three Directors, including one Independent Director, and shall designate a Chairperson of the Finance Committee. The Finance Committee shall consider and report to the Board with respect to operating and capital budgets of the Company and the Corporation, plans for expansion, capital structure and long-range financial requirements. The Committee shall also consider and report to the Board with respect to such other matters relating to the financial affairs of the Corporation as may be requested by the Board or the appropriate officers of the Corporation. The Committee shall report periodically to the Board of Directors on all action, which it may have taken.

Section 4.3 Audit Committee. The Board of Directors, by resolution of a majority of the number of Directors fixed by these Bylaws, may elect an Audit Committee which shall consist of not less than three Directors, including one Independent Director, and shall designate a Chairperson of the Audit Committee. The Audit Committee shall consider and report to the Board with respect to the Corporation's accounting and treasury controls, the appointment of an independent auditing firm, and such other matters as shall be requested of it by the Board. The Committee shall report periodically to the Board of Directors on all action which it may have taken.

Section 4.4 Nominating and Board Affairs Committee. The Board of Directors, by resolution of a majority of the number of Directors fixed by these Bylaws, may elect a Nominating and Board Affairs Committee which shall consist of not less than three Directors, including one Independent Director, and shall designate a Chairperson of the Nominating and Board Affairs Committee. The Nominating and Board Affairs Committee shall consider candidates for Director and governance issues relating to the Corporation. The Committee shall report periodically to the Board of Directors on all action which it may have taken.

Section 4.5 Other Committees. The Board of Directors, by resolution adopted by a majority of the number of Directors fixed by these Bylaws, may establish such other standing or special committees of the Board as it may deem advisable, consisting of not less than two Directors; and the members, terms and authority of such committees shall be as set forth in the resolutions establishing the same, and shall designate a Chairperson of any such Committee. The Board of Directors shall have the power to change the membership of or to dissolve any committee at any time.

Section 4.6 Meetings. Regular and special meetings of any Committee established pursuant to this Article may be called and held subject to the same requirements with respect to time, place and notice as are specified in these Bylaws for regular and special meetings of the Board of Directors.

Section 4.7 Quorum and Manner of Acting. A majority of the members of any Committee serving at the time of any meeting of such Committee shall constitute a quorum for the transaction of business at such meeting. The action of a majority of those members present at a Committee meeting at which a quorum is present shall constitute the act of the Committee.

Section 4.8 Term of Office. Members of any Committee, including the Chairperson of such Committee, shall be elected from time to time by the Board of Directors and shall hold office until the next annual meeting of the Board of Directors and until their successors are elected, or until such Committee is dissolved by the Board of Directors.

Section 4.9 Resignation and Removal. Any member of a Committee may resign at any time by giving written notice of his intention to do so to the President or the Secretary of the Corporation, or may be removed, with or without cause, at any time by such vote of the Board of Directors as would suffice for his election.

Section 4.10 Vacancies. Any vacancy occurring in a Committee resulting from any cause whatever may be filled by a majority of the number of Directors fixed by these Bylaws.

ARTICLE V

OFFICERS

Section 5.1 Election of Officers; Terms. The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Chief Financial Officer. Other officers, including without limitation a Chairman of the Board, Chief Executive Officer, one or more Vice Presidents (whose seniority and titles, including Executive Vice Presidents and Senior Vice Presidents, may be specified by the Board of Directors), and assistant and subordinate officers, may from time to time be elected by the Board of Directors. All officers shall hold office until the next annual meeting of the Board of Directors and until their successors are elected. Any two officers may be combined in the same person as the Board of Directors may determine.

Section 5.2 Removal of Officers; Vacancies. Any officer of the Corporation may be removed summarily with or without cause, at any time, by the Board of Directors. Vacancies may be filled by the Board of Directors.

Section 5.3 Duties. The officers of the Corporation shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are prescribed by law or are hereinafter provided or as from time to time shall be conferred by the Board of Directors. The Board of Directors may require any officer to give such bond for the faithful performance of his duties as the Board may see fit.

Section 5.4 Duties of the Chief Executive Officer. The Chief Executive Officer of the Corporation shall, together with the President, be primarily responsible for the implementation of

policies of the Board of Directors. The Chief Executive Officer also may serve as the President of the Corporation. He shall have authority over the general management and direction of the business and operations of the Corporation and its divisions, if any, subject only to the ultimate authority of the Board of Directors. He shall be a Director, and, except as otherwise provided in these Bylaws or in the resolutions establishing such committees, he shall be *ex officio* a member of all Committees of the Board. In the absence of the Chairman and the Vice-Chairman of the Board, or if there are no such officers, the President shall preside at all corporate meetings. He may sign and execute in the name of the Corporation share certificates, deeds, mortgages, bonds, contracts or other instruments except in cases where the signing and the execution of such documents shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. In addition, he shall perform all duties as from time to time may be assigned to him by the Board of Directors.

Section 5.5 Duties of the President. The President, who also may be the Chief Executive Officer, shall, together with the Chief Executive Officer, be primarily responsible for the implementation of policies of the Board of Directors. He shall have authority over the general management and direction of the business and operations of the Corporation and its divisions, if any, subject only to the Chief Executive Officer and the ultimate authority of the Board of Directors. He may sign and execute in the name of the Corporation share certificates, deeds, mortgages, bonds, contracts or other instruments except in cases where the signing and the execution of such documents shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law otherwise to be signed or executed. In addition, he shall perform all duties incident to the office of the President and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 5.6 Duties of the Vice Presidents. Each Vice President, if any, shall have such powers and duties as may from time to time be assigned to him by the President or the Board of Directors. Any Vice President may sign and execute in the name of the Corporation deeds, mortgages, bonds, contracts or other instruments authorized by the Board of Directors, except where the signing and execution of such documents shall be expressly delegated by the Board of Directors or the President to some other officer or agent of the Corporation or shall be required by law or otherwise to be signed or executed.

Section 5.7 Duties of the Chief Financial Officer. The Chief Financial Officer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation, and shall deposit all monies and securities of the Corporation in such banks and depositories as shall be designated by the Board of Directors. He shall be responsible (i) for maintaining adequate financial accounts and records in accordance with generally accepted accounting practices; (ii) for the preparation of appropriate operating budgets and financial statements; (iii) for the preparation and filing of all tax returns required by law; and (iv) for the performance of all duties incident to the office of Chief Financial Officer and such other duties as from time to time may be assigned to him by the Board of Directors, the Finance Committee or the President. The Chief Financial Officer may sign and execute in the name of the Corporation share certificates, deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and the execution of such documents shall be expressly delegated by the Board of

Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law or otherwise to be signed or executed.

Section 5.8 Duties of the Secretary. The Secretary shall act as secretary of all meetings of the Board of Directors and shareholders of the Corporation. When requested, he shall also act as secretary of the meetings of the committees of the Board. He shall keep and preserve the minutes of all such meetings in permanent books. He shall see that all notices required to be given by the Corporation are duly given and served; shall have custody of the seal of the Corporation and shall affix the seal or cause it to be affixed to all share certificates of the Corporation and to all documents the execution of which on behalf of the Corporation under its corporate seal is duly authorized in accordance with law or the provisions of these Bylaws; shall have custody of all deeds, leases, contracts and other important corporate documents; shall have charge of the books, records and papers of the Corporation relating to its organization and management as a corporation; shall see that all reports, statements and other documents required by law (except tax returns) are properly filed; and shall in general perform all the duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

Section 5.9 Compensation. The Board of Directors shall have authority to fix the compensation of all officers of the Corporation.

ARTICLE VI

DISPUTE RESOLUTION

All disputes concerning the Corporation or the Company, including without limitation, disputes between the shareholders and the Board of Directors or disputes between officers and the Board of Directors, will be resolved in accordance with the Dispute Resolution guidelines set forth in Exhibit B to the Operating Agreement.

ARTICLE VII

INDEMNIFICATION

Section 7.1 Definitions. In this Article:

(a) "applicant" means the person seeking indemnification pursuant to this Article.

(b) "director or officer" means (a) an individual who was or is a director or officer of the Corporation; (b) an individual who, while a director or officer of the Corporation, is or was serving at the Corporation's request, as a director, officer, partner, trustee, member of any governing or decision-making committee, manager, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise; or (c) an individual who, while a director or officer of the Corporation, is or was serving as administrator or trustee of an employee benefit plan because his or her duties to the Corporation also impose duties on, or otherwise involve services by, the person to the plan or to participants in or beneficiaries of the plan.

(c) "expenses" include fees, costs, charges, disbursements, attorney fees and any other expenses incurred in connection with a proceeding.

(d) "liability" means the obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan, and reasonable expenses.

(e) "party" includes an individual who was or is, or who is threatened to be made, a named defendant or respondent in a proceeding.

(f) "proceeding" means any threatened, pending or completed civil, criminal, administrative or investigative action, suit, arbitration or other proceeding, whether formal or informal, which involves foreign, federal, state or local law and which is bought by or in the right of the Corporation or by any other person.

Section 7.2 Limitation of Liability. No director of the Corporation shall be liable to the Corporation or its shareholders for damages, settlements, fees, fines, penalties or other monetary liabilities arising from a breach of, or failure to perform, any duty resulting solely from his or her status as a director, unless the person asserting liability proves that the breach or failure to perform constitutes any of the following:

(a) A willful failure to deal fairly with the Corporation or its shareholders in connection with a matter in which the director 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 derived an improper personal profit; or

(d) Willful misconduct.

Section 7.3 Mandatory Indemnification.

(a) The Corporation shall indemnify a director or officer, to the extent that he or she has been successful on the merits or otherwise in the defense of a proceeding, for all reasonable expenses incurred in the proceeding if the director or officer was a party because he or she is a director or officer of the Corporation.

(b) In cases not included under Section 7.3(a) the Corporation shall indemnify a director of officer against liability incurred by the director or officer in a proceeding to which the director or officer was a party because he or she is a director or officer of the Corporation, unless liability was incurred because the director or officer breached or failed to perform a duty that he or she owes to the Corporation and the breach or failure to perform constitutes any of the following:

(i) A willful failure to deal fairly with the Corporation or its shareholders in connection with a matter in which the director or officer has a material conflict of interest;

(ii) 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;

(iii) A transaction from which the director or officer derived an improper personal profit; or

(iv) Willful misconduct.

(c) The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not of itself create a presumption that the applicant did not meet the standard of conduct described in Section 7.3(b) of this Article.

Section 7.4 Indemnification of Employees and Agents.

(a) The Corporation shall indemnify an employee who is not a director or officer of the Corporation, to the extent that he or she has been successful on the merits or otherwise in defense of a proceeding, for all reasonable expenses incurred in the proceeding if the employee was a party because he or she was an employee of the Corporation.

(b) In addition to the indemnification required by Section 7.4(a), the Corporation may by majority vote of a quorum consisting of disinterested directors, indemnify or contract to indemnify, and allow reasonable expenses of an employee or agent who is not a director or officer of the Corporation.

Section 7.5 Applicability. The provisions of this Article shall be applicable to all proceedings commenced after the adoption of these Bylaws, arising from any act or omission, whether occurring before or after such adoption. No amendment or repeal of this Article shall have any effect on the rights provided under this Article with respect to any act or omission occurring prior to such amendment or repeal. The Corporation shall promptly take all such actions, and make all such determinations, as shall be necessary or appropriate to comply with its obligation to make any indemnity under this Article and shall promptly pay or reimburse all reasonable expenses, including attorneys' fees, incurred by any such director, officer, employee or agent in connection with such actions and determinations or proceedings of any kind arising therefrom.

Section 7.6 Determination of Right to Indemnification. Any indemnification under Section 7.3(b) of this Article (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the applicant is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 7.3(b). The determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of Directors not at the time parties to the proceeding;

(b) If a quorum cannot be obtained under Section 7.6(a), by majority vote of a committee duly designated by the Board of Directors (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding;

(c) By special legal counsel:

(i) Selected by the Board of Directors or its committee in the manner prescribed in Section 7.6(a) or (b); or

(ii) If a quorum of the Board of Directors cannot be obtained under Section 7.6(a) and a committee cannot be designated under Section 7.6(b) of this section, selected by majority vote of the full Board of Directors, in which selection Directors who are parties may participate;

(d) By the shareholders, but shares owned by or voted under the control of Directors who are at the time parties to the proceeding may not be voted on the determination; or

(e) By a court under §180.0854 of the Wisconsin Statutes.

Any evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is appropriate, except that if the determination is made by special legal counsel, such evaluation as to reasonableness of expenses shall be made by those entitled under Section 7.6(c) to select counsel.

Notwithstanding the foregoing, in the event there has been a change in the composition of a majority of the Board of Directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to this Article shall be made by special legal counsel agreed upon by the Board of Directors and the applicant. If the Board of Directors and the applicant are unable to agree upon such special legal counsel the Board of Directors and the applicant each shall select a nominee, and the nominees shall select such special legal counsel.

Section 7.7 Indemnification Procedure.

(a) Upon written request of a director or officer who is a party to a proceeding, the Corporation may pay or reimburse his or her reasonable expenses as incurred if the Director or officer provides the Corporation with all of the following:

(i) a written affirmation of his good faith belief that he or she has not failed to perform his or her duties to the Corporation.

(ii) A written undertaking, executed personally or on his or her behalf, to repay the allowance and, if required by the Corporation, to pay reasonable interest on the allowance to the extent that it is ultimately determined under Section 7.6 that indemnification under Section 7.3 is not required and that indemnification is not ordered by a court under § 180.0854(2)(b) of the Wisconsin Statutes. The undertaking under this subsection shall be an unlimited general obligation of the Director or officer and may be accepted without reference to his or her ability to repay the allowance. The undertaking may be secured or unsecured.

(b) Authorizations of payments under this section shall be made by the persons specified in Section 7.6.

Section 7.8 Insurance. The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by him in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

Section 7.9 Additional Indemnification. Every reference herein to Directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators. The indemnification hereby provided and provided hereafter pursuant to the power hereby conferred by this Article on the Board of Directors shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the Corporation or others, with respect to claims, issues or matters in relation to which the Corporation would not have the power to indemnify such person under the provisions of this Article. Such rights shall not prevent or restrict the power of the Corporation to make or provide for any further indemnity, or provisions for determining entitlement to indemnity, pursuant to one or more indemnification agreements, bylaws, or other arrangements (including, without limitation, creation of trust funds or security interests funded by letters of credit or other means) approved by the Board of Directors (whether or not any of the directors of the Corporation shall be a party to or beneficiary of any such agreements, bylaws or arrangements); *provided, however*, that any provision of such agreements, bylaws or other arrangements shall not be effective if and to the extent that it is determined to be contrary to this Article or applicable laws of the State of Wisconsin.

Section 7.10 Severability. Each provision of this Article shall be severable, and an adverse determination as to any such provision shall in no way affect the validity of any other provision.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Seal. No seal shall be required in connection with the execution by the Corporation of any deed, lease, mortgage, agreement, instrument or other document.

Section 8.2 Fiscal Year. The fiscal year of the Corporation shall end on such date and shall consist of such accounting periods as may be fixed by the Board of Directors.

Section 8.3 Checks, Notes and Drafts. Checks, notes, drafts and other orders for the payment of money shall be signed by such persons as the Board of Directors from time to time

may authorize. When the Board of Directors so authorizes, however, the signature of any such person may be a facsimile.

Section 8.4 Amendment of Bylaws. These Bylaws may be amended or altered at any meeting of the Board of Directors; provided that the provisions of Section 2.6(b), 3.2 and this Section 8.4 may only be amended by a vote of at least two-thirds of the shares of Common Stock outstanding, voting in accordance with Article IV of the Articles of Incorporation. Prior to any Listing, the holders of at least two-thirds of the shares of Common Stock (voting in accordance with Article IV of the Articles of Incorporation) shall have the power to rescind, amend, alter or repeal any Bylaws and to enact Bylaws which, if expressly so provided, may not be amended, altered or repealed by the Board of Directors.

Section 8.5 Voting of Shares Held. Unless otherwise provided by resolution of the Board of Directors or of the Executive Committee, if any, the President may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the vote which the Corporation may be entitled to cast as a shareholder or otherwise in any other corporation, partnership, limited liability company or joint venture, any of whose securities may be held by the Corporation, at meetings of the holders of the shares or other securities of such other corporation, partnership, limited liability company or joint venture or to consent in writing to any action by any such other corporation, partnership, limited liability company or joint venture; and the President shall instruct the person or persons so appointed as to the manner of casting such votes or giving such consent and may execute or cause to be executed on behalf of the Corporation, and under its corporate seal or otherwise, such written proxies, consents, waivers or other instruments as may be necessary or proper in the premises. In lieu of such appointment the President may himself attend any meetings of the holders of shares or other securities of any such other corporation, partnership, limited liability company or joint venture and there vote or exercise any or all power of the Corporation as the holder of such shares or other securities of such other corporation, partnership, limited liability company or joint venture.

Section 8.6 Transfer of Voting Shares. Until the first of either the Listing or the sale of shares by the Corporation in an initial public offering, any shareholder that desires to transfer Voting Stock (defined as a class of shares entitling the shareholder to vote) shall notify the Corporation of its intention to transfer, the number of shares of Voting Stock proposed to be sold, and the date on which the transfer is proposed to occur, which shall be at least 45 days after the date of such notice. The Corporation shall thereupon promptly provide such information to the other shareholders and the Public Service Commission of Wisconsin.

Section 8.7 Incorporation of Act 9. These Bylaws hereby incorporate any provisions of Section 196.485(3m)(c) not otherwise addressed herein that are required by law to be included in these Bylaws pursuant to such Section.

RECEIVED

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STATE OF WISCONSIN FILED

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DEPARTMENT OF FINANCIAL INSTITUTIONS

ARTICLES OF ORGANIZATION

OF

AMERICAN TRANSMISSION COMPANY LLC

The undersigned, acting as organizer, executes these Articles of Organization for the purpose of forming a limited liability company under Chapter 183 of the Wisconsin Statutes:

ARTICLE I

The name of the limited liability company is American Transmission Company LLC.

ARTICLE II

The name and street address of the initial registered agent and registered office of the limited liability company are ~~MIBEF Corporate Services, Inc., 100 East Wisconsin Avenue, Suite 3300, Milwaukee, Wisconsin 53202-4108~~.

ARTICLE III

The management of the limited liability company shall be vested in one or more managers of the limited liability company.

ARTICLE IV

The name and address of the organizer are Geoffrey R. Morgan, 100 East Wisconsin Avenue, Suite 3300, Milwaukee, Wisconsin 53202-4108.

Dated as of the 12th day of June, 2000.

Geoffrey R. Morgan, Organizer

This instrument was drafted by and is returnable to:

Geoffrey R. Morgan, Esq.
Michael Best & Friedrich LLP
100 East Wisconsin Avenue,
Suite 3300
Milwaukee, Wisconsin 53202-4108
(414) 271-6560

WI - DFI CORP FILE ID# A040100

EXECUTION

AMENDED AND RESTATED

OPERATING AGREEMENT

OF

AMERICAN TRANSMISSION COMPANY LLC

Dated as of December 1, 2015

TABLE OF CONTENTS

Schedules and Exhibits

AMERICAN TRANSMISSION COMPANY LLC

AMENDED AND RESTATED

OPERATING AGREEMENT

THIS AMENDED AND RESTATED OPERATING AGREEMENT of AMERICAN TRANSMISSION COMPANY LLC, a Wisconsin limited liability company (the "Company"), is made and entered into as of December 1, 2015, by and among the parties listed on Schedule A, for the regulation of the affairs and conduct of the Company and certain relationships with and among its Members.

RECITALS

1. 1999 Wisconsin Act 9 includes provisions commonly referred to as the Reliability 2000 Legislation, which authorized the organization of a new company to provide electric transmission service.

2. Pursuant to the provisions of the Reliability 2000 Legislation, electric transmission utilities were authorized to contribute their transmission assets to such company, and certain other electric utilities were authorized to make cash contributions to such company.

3. The Members have previously entered into an Operating Agreement dated as of January 1, 2001, as amended by a first amendment thereto dated as of June 2, 2001, a second amendment thereto dated as of May 30, 2003, a third amendment thereto dated as of December 26, 2003, a fourth amendment thereto dated as of February 20, 2008, and a fifth amendment dated as of April 23, 2013 (as amended, the "Original Agreement").

4. The Members desire to amend and restate the Original Agreement.

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

In addition to the definitions contained in this Agreement, the following terms used herein shall have the following meanings assigned to them.

"**Act**" means the Wisconsin Limited Liability Company Act, Chapter 183 of the Wisconsin Statutes, as amended from time to time.

"**Additional Securities**" means any additional Corporate Shares (other than Corporate Shares issued in connection with an exchange pursuant to Section 8.4 hereof) or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase Corporate Shares, as set forth in Section 3.7(a)(ii).

"**Adjustment in Value**" has the meaning provided in Section 3.8(b).

"**Administrative Expenses**" means (i) all administrative and operating costs and expenses incurred by the Company, (ii) those administrative costs and expenses of the Corporate Manager, including any salaries or other payments to directors, officers or employees of the Corporate Manager, and any accounting and legal expenses of the Corporate Manager, which expenses the Members have agreed, are expenses of the Company, and not the Corporate Manager, and (iii) to the extent not included in clause (ii) above, Corporate Expenses.

"**Affected Holdco Member**" has the meaning provided in Section 6.2(b).

"**Affiliate**" means, with respect to any Person:

(a) Any Person owning or holding directly or indirectly 5% or more of the voting securities of such Person;

(b) Any Person in any chain of successive ownership of 5% or more of the voting securities of such Person;

(c) Any corporation 5% or more of whose voting securities are owned by any Person owning 5% or more of the voting securities of such Person or by any Person in any chain of successive ownership of 5% or more of the voting securities of such Person;

(d) Any Person who is an officer or director of such Person or of any corporation in any chain of successive ownership of 5% or more of the voting securities of such Person;

(e) Any corporation operating a servicing organization for furnishing supervisory, construction, engineering, accounting, legal or similar services to such Person, which corporation has one or more officers or one or more directors in common with such Person, and any other corporation which has directors in common with such Person if the number of directors of the corporation is more than one-third of the total number of such Person's directors; or

(f) Any subsidiary of such Person.

"**Agreement**" means this Amended and Restated Operating Agreement, as it may be amended from time to time in accordance with its terms.

"**Article 8**" means Article 8 of the Uniform Commercial Code as codified at Chapter 408 of the Wisconsin Statutes.

"**Capital Account**" has the meaning provided in Section 3.8.

"**Capital Contributions**" means the aggregate contributions by a Member to the capital of the Company as set forth on Schedule A, as amended from time to time.

"**Cash Amount**" means an amount of cash per Member Unit equal to the Value of the Corporate Shares Amount on the date of receipt by the Corporate Manager of a Notice of Redemption.

"**Cash Available for Distribution**" shall mean, for any period, the excess, if any, of (i) the cash receipts of the Company (other than from Capital Contributions or a Terminating Capital Transaction), receipts from the sale, exchange or other disposition of Company assets, and amounts withdrawn from Reserves, over (ii) disbursements of cash by the Company (other than distributions to Members and amounts paid with receipts from a Terminating Capital Transaction), including the payment of operating expenses, debt service on loans, capital expenditures, federal, state, or local income taxes and franchise taxes imposed directly on the Company and amounts set aside for Reserves. The foregoing amounts are intended not to exceed "operating cash flow distributions," as defined in Section 1.707-4(b) of the Regulations.

"**Chapter 196**" means Chapter 196 of the Wisconsin Statutes, Regulation of Public Utilities.

"**Charter**" means the Second Amended and Restated Articles of Incorporation of the Corporate Manager filed with the Wisconsin Department of Financial Institutions, as such Articles may be amended or restated from time to time.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

"**Commission**" means the United States Securities and Exchange Commission.

"**Company**" means American Transmission Company LLC, and its successors and assigns.

"**Company Minimum Gain**" has the meaning set forth in Regulations Section 1.704-2(d). In accordance with Regulations Section 1.704-2(d), the amount of Company Minimum Gain is determined by first computing, for each Company nonrecourse liability, any gain the Company would realize if it disposed of the property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. A Member's share of Company Minimum Gain shall be determined in accordance with Regulations Section 1.704-2(g)(1).

"**Company Record Date**" has the meaning provided in Section 6.2(h).

"**Conversion Factor**" means 1.0, provided that in the event that the Corporate Manager (i) declares or pays a dividend on its outstanding Corporate Shares in Corporate Shares or makes a distribution to all holders of its outstanding Corporate Shares in Corporate Shares, (ii) subdivides its outstanding Corporate Shares or (iii) combines its outstanding Corporate Shares into a smaller number of Corporate Shares, the Conversion Factor shall be adjusted by multiplying the Conversion Factor by a fraction, the numerator of which shall be the number of Corporate Shares issued and outstanding on the record date for such dividend, distribution, subdivision or combination (assuming for such purposes that such dividend, distribution, subdivision or combination has occurred as of such time), and the denominator of which shall be the actual number of Corporate Shares (determined without the above assumption) issued and outstanding on such date; and provided further, that in the event that an entity shall become Corporate Manager pursuant to any merger, consolidation or combination of the Corporate Manager with or into another entity (the "Successor Entity"), the Conversion Factor shall be

adjusted by multiplying the Conversion Factor by the number of shares of the Successor Entity into which one Corporate Share is converted pursuant to such merger, consolidation or combination, determined as of the date of such merger, consolidation or combination and as otherwise contemplated by Section 7.1(c). Any adjustment to the Conversion Factor shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event; provided, however, that if the Corporate Manager receives a Notice of Redemption after the record date, but prior to the effective date of such dividend, distribution, subdivision or combination, the Conversion Factor shall be determined as if the Corporate Manager had received the Notice of Redemption immediately prior to the record date for such dividend, distribution, subdivision or combination.

"**Corporate Expenses**" means (i) costs and expenses relating to the formation and continuity of existence and operation of the Corporate Manager and any subsidiaries thereof (which subsidiaries shall, for purposes hereof, be included within the definition of Corporate Manager), including taxes, fees and assessments associated therewith, any and all costs, expenses or fees payable to any director, officer or employee of the Corporate Manager, (ii) costs and expenses relating to any public offering and registration of securities by the Corporate Manager and all statements, reports, fees and expenses incidental thereto, including, without limitation, underwriting discounts and selling commissions applicable to any such offering of securities, and any costs and expenses associated with any claims made by any holders of such securities or any underwriters or placement agents thereof, (iii) costs and expenses associated with any repurchase of any securities by the Corporate Manager, (iv) costs and expenses associated with the preparation and filing of any periodic or other reports and communications by the Corporate Manager under federal, state or local laws or regulations, including filings with the Commission, (v) costs and expenses associated with compliance by the Corporate Manager with laws, rules and regulations promulgated by any regulatory body, including the Commission and any securities exchange, (vi) costs and expenses associated with any 401(k) plan, incentive plan, bonus plan or other plan providing for compensation for the employees of the Corporate Manager, (vii) costs and expenses incurred by the Corporate Manager relating to any issuing or redemption of Member Interests and (viii) all other operating or administrative costs of the Corporate Manager incurred in the ordinary course of its business on behalf of or in connection with the Company.

"**Corporate Manager**" means ATC Management Inc., a Wisconsin corporation, and any Person who becomes a substitute or additional Corporate Manager as provided herein, and any of their successors as Corporate Manager.

"**Corporate Share**" means one share of Common Stock of the Corporate Manager.

"**Corporate Shares Amount**" means a number of Corporate Shares equal to the product of the number of Member Units offered for redemption by a Redeeming Member pursuant to a completed Notice of Redemption submitted by such Redeeming Member to the Corporate Manager, multiplied by the Conversion Factor as adjusted to and including the Specified Redemption Date; provided that in the event the Corporate Manager issues to all holders of Corporate Shares rights, options, warrants or convertible or exchangeable securities entitling the shareholders to subscribe for or purchase Corporate Shares, or any other securities or property (collectively, the "rights"), and the rights have not expired at the Specified Redemption Date,

then the Corporate Shares Amount shall also include such rights issuable to a holder of the Corporate Shares on the record date fixed for purposes of determining the holders of Corporate Shares entitled to rights.

"**Dispute Resolution Provisions**" means those provisions for resolving disputes among the Members and the Company and Corporate Manager set forth as Exhibit B to this Agreement.

"**DATC**" means Duke-American Transmission Company, LLC, a Delaware limited liability company.

"**Dominant Member**" means a Member (other than Holdco), including such Member's subsidiaries and Affiliates, holding Member Units representing a Percentage Interest equal to or in excess of 34.07%.

"**Effective Date**" means June 12, 2000.

"**Electric Utility**" means (i) a public utility as defined in § 196.01 of the Wisconsin Statutes, that is involved in the generation, transmission, distribution or sale of electric energy, (ii) a municipal electric company organized under § 66.073 of the Wisconsin Statutes, (iii) a wholesale electric cooperative as defined in § 196.485(1) (k) of the Wisconsin Statutes, or (iv) a Retail Electric Cooperative.

"**Equity Accounting**" means the accounting standard that allows a Member, subject to certain conditions, to report its investment in the Company on such Member's balance sheet and its allocable share of the Company's profits on such Member's income statement, as such standard is applied on the Effective Date.

"**Event of Bankruptcy**" as to any Person means the filing of a petition for relief as to such Person as debtor or bankrupt under the Bankruptcy Code of 1978 or similar provision of law of any jurisdiction (except if such petition is contested by such Person and has been dismissed within 90 days); insolvency or bankruptcy of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of its assets; commencement of any proceedings relating to such Person as a debtor under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates its approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 90 days.

"**Excess Tax Expense Recovery Income**" means the amount by which Tax Expense Recovery Income allocated to a Member under Section 6.1(a)(i) during a given Natural Calendar Quarter for any given Natural Calendar Quarter exceeds the Member's Tax Expense Recovery Income Distributable Amount.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**FERC**" means the Federal Energy Regulatory Commission, or its successor in interest.

"**FERC Books of Account**" means those books of account pertaining to transmission that are required by FERC to be maintained by companies that have filed transmission tariffs with FERC.

"**Fundamental Matter**" means (and is limited to) the following matters (in each case, only to the extent that this Agreement or applicable law requires the vote or consent of the Members): (i) the sale of substantially all of the assets of the Company; (ii) the merger, consolidation or equity exchange of the Company; (iii) amendments to this Agreement that would disproportionately and adversely affect a Dominant Member's express rights as a Member relative to the other Members; (iv) the bankruptcy of the Company; and (v) an initial public offering of the Company.

"**GAAP**" means United States generally accepted accounting principles consistently applied.

"**Holdco**" means ATC Holdco LLC, a Delaware limited liability company, or its successor in interest.

"**Indemnitee**" means (i) any Person made a party to a proceeding by reason of its status as the Corporate Manager or a director, officer or employee of the Corporate Manager or the Company and (ii) such other Persons (including Affiliates of the Company or the Corporate Manager) as the Corporate Manager may designate from time to time, in its sole and absolute discretion.

"**IPO Registration Statement**" has the meaning provided in Section 8.5(a).

"**Land Right**" means any right in real property, including fee simple ownership easement, lease or other right, that has been acquired for a Transmission Facility that is located or intended to be located on the real property.

"**Listing**" means with respect to any Person, the closing of an offering of stock, member units or other equity interests of such Person that has the effect of listing such interests on the New York Stock Exchange, American Stock Exchange, or NASDAQ, or any of their successors.

"**Losses**" has the meaning provided in Section 6.1(f).

"**Majority in Interest**" means the affirmative vote or consent of Members or Non-Managing Members (excluding any Corporate Manager that is designated as a special Non-Managing Member pursuant to Section 7.4(c)), as applicable, holding Percentage Interests aggregating greater than 50% of the Percentage Interests held by the Members or Non-Managing Members, as applicable.

"**Member Interest**" means an ownership interest in the Company held by a Member and includes any and all benefits to which the holder of such a Member Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement.

"**Member Nonrecourse Debt Minimum Gain**" means "partner nonrecourse debt minimum gain" as set forth in Regulations Section 1.704-2(i). A Member's share of Member Nonrecourse Debt Minimum Gain shall be determined in accordance with Regulations Section 1.704-2(i)(5).

"**Member's Tax Expense Recovery Income Distributable Amount**" means, with respect to each Taxable Member and each Partially Taxable Member, that portion of Tax Expense Recovery Income directly attributable to such Member as determined by the Corporate Manager in its calculation of Tax Expense Recovery Income. Upon the request of a Member, the Corporate Manager shall incorporate taxes incurred by such Member attributable to ownership of the Company in its calculation of Tax Expense Recovery Income to the extent such inclusion is not inconsistent with FERC policy, federal tax law, or PLR-104-140930-7. If a Member desires a change in FERC policy related to taxes incurred by such Member attributable to its ownership of the Company, the Company shall cooperate with the Member in pursuing such change, including making all appropriate or necessary FERC filings, to the extent the proposed change is not inconsistent with federal tax law or PLR-104930-07. The Company's cooperation with respect to such change shall not limit any other Member's right under Section 11.8(c) to take independent legal or regulatory positions regarding the Company's tariffs and rates. In no event shall the aggregate total of Member's Tax Expense Recovery Income Distributable Amount during any Natural Calendar Quarter exceed the cumulative Tax Expense Recovery Income received by the Company for such Natural Calendar Quarter.

"**Member Unit**" means a Member Interest in the Company. The number of Member Units owned by each Member shall be as set forth on Schedule A, as it may be amended from time to time.

"**Members**" means the Persons identified on Schedule A from time to time and their successors and permitted assigns.

"**Merchant Transmission Project**" means a transmission project that does not have captive customers from which project costs are being recovered.

"**MISO**" means the Midcontinent Independent Transmission System Operator, Inc., or any independent system operator or regional transmission organization that has been approved under federal law to succeed the MISO, or any other regional transmission organization to which the Company has placed operating control of its Transmission Assets.

"**MISO OATT**" has the meaning provided in the definition of "Tax Expense Recovery Income."

"**NASDAQ**" means the Nasdaq National Market System.

"**Natural Calendar Quarter**" means any of the three-month periods January 1 through March 31; April 1 through June 30; July 1 through September 30; and October 1 through December 31, which shall together comprise the Company's calendar fiscal year until a Listing when the Company's fiscal year may be altered to facilitate such Listing.

"**Net Book Value**" means the aggregate Capital Accounts of all the Members kept in accordance with Section 3.8.

"**Non-Managing Member**" means any Person named as a Member on Schedule A other than the Corporate Manager, and any Person who becomes a Substitute or additional Non-Managing Member, in such Person's capacity as a Non-Managing Member in the Company.

"**Notice of Redemption**" means the Notice of Exercise of Redemption Right substantially in the form attached as Exhibit A.

"**OATT**" means a FERC-approved Open Access Transmission Tariff by which the Company is bound.

"**Offer**" has the meaning provided in Section 7.1(b)(ii).

"**Operations Date**" means January 1, 2001, the date that the Company commenced operations.

"**Original Agreement**" has the meaning provided in the Recitals.

"**Partially Taxable Member**" means (i) a Member whose allocable income from the Company includes amounts that (A) are generally exempt from federal, state, and local income taxes and franchise taxes and (B) are taxable to such Member despite such Member's tax-exempt status, and (ii) a Member that is taxed as a partnership but whose partners or members include both taxable and tax-exempt entities.

"**Percentage Interest**" means the percentage interest of each Member in the Company, as determined by dividing the Member Units owned by such Member by the total number of Member Units then outstanding.

"**Person**" means an individual, corporation, general or limited partnership, joint venture, trust, unincorporated association, limited liability company or any other legal or commercial entity.

"**Profits**" has the meaning provided in Section 6.1(f).

"**PSCW**" means the Public Service Commission of Wisconsin, or its successor in interest.

"**PUHCA**" means the Public Utility Holding Company Act of 1935, as amended.

"**Put Right**" has the meaning provided in Section 8.4(b).

"**Redeeming Member**" has the meaning provided in Section 8.4(a).

"**Redemption Amount**" means either the Cash Amount or the Corporate Shares Amount, as selected by the Corporate Manager pursuant to Section 8.4(b).

"**Redemption Right**" has the meaning provided in Section 8.4(a).

"**Redemption Shares**" has the meaning provided in Section 8.5(a).

"**Registrable Shares**" has the meaning provided in Section 8.5(b).

"**Registration Request**" has the meaning provided in Section 8.5(a).

"**Registration Statement**" means a Shelf Registration Statement or the IPO Registration Statement.

"**Regulations**" means the Income Tax Regulations promulgated under the Code, as such Regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).

"**Reliability 2000 Legislation**" means that portion of Wisconsin Act 9 (the 1999-2001 Biennial Budget Act) relating to public utility holding companies, electric power transmission, public benefits and other aspects of electric utility regulation, as amended.

"**Reserves**" means the amount of cash determined from time to time by the Corporate Manager to be required by the Company for its operations, including the construction of additional Transmission Facilities.

"**Retail Electric Cooperative**" means a cooperative organized under Chapter 185 of the Wisconsin Statutes that provides retail electric service to its members.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Service**" means the Internal Revenue Service.

"**Shelf Registration Statement**" has the meaning provided in Section 8.5(a).

"**Specified Redemption Date**" means the first business day of the month that is at least 60 calendar days after the receipt by the Corporate Manager of a Notice of Redemption.

"**Subsidiary**" means any entity in which the Company, whether directly or indirectly, has an economic interest of at least 50%, or as to which the Corporate Manager serves as manager. For the avoidance of doubt, neither Holdco nor ATC Development Manager Inc. shall be considered a Subsidiary of the Company as a result of any management services agreement or overhead sharing arrangement.

"**Substitute Members**" means those Persons admitted as Members in accordance with Section 9.4.

"**Successor Entity**" has the meaning provided in the definition of "Conversion Factor" contained herein.

"**Survivor**" has the meaning provided in Section 7.1(c).

"**Taxable Member**" means a Member that generally is not exempt from federal, state, or local income taxation and franchise taxation. With respect to any Member that is taxed as a

partnership, the determination shall be made with respect to such Member's partners or members, and such Member shall be a Taxable Member if all of its partners or members generally are not exempt from federal, state, or local income taxation and franchise taxation, and shall be a Partially Taxable Member to the extent that it has both taxable and tax-exempt or partially taxable partners or members. It is anticipated that Holdco will be a Taxable Member.

"**Tax-Exempt Member**" means (i) a Member whose share of income or loss of the Company is generally exempt from federal, state, or local income taxation and franchise taxation, and (ii) a Member that is taxed as a partnership but all of whose partners or members are tax-exempt.

"**Tax Expense Recovery Income**" means the portion of the Company's revenue (derived either directly or through a Subsidiary) attributable to the total amount of federal, state, or local income taxes and franchise taxes set forth on line 27 of page 3 of Attachment O of the MISO Open Access Transmission and Energy Markets Tariff, FERC Electric Tariff, Third Revised Volume No. 1 ("MISO OATT") (or such other line in the then-applicable transmission tariff on which the information currently required to be reported on line 27 may be reported in the future in the event that (i) MISO amends the MISO OATT or (ii) the Company is no longer providing transmission service under the MISO OATT, as the same may be amended from time to time), less the amount of any income, franchise or other similar taxes that are imposed on and paid directly by the Company (either directly or through a Subsidiary) that are included in the amount set forth on such line 27 (or such other line in the then-applicable transmission tariff on which the information currently required to be reported on line 27 may be reported in the future in the event that (i) MISO amends the MISO OATT or (ii) the Company is no longer providing transmission service under the MISO OATT, as the same may be amended from time to time). In no event shall the cumulative allocation of the Tax Expense Recovery Income during any Natural Calendar Quarter exceed the cumulative Tax Expense Recovery Income received by the Company (either directly or through a Subsidiary) during such Natural Calendar Quarter.

"**Tax Matters Member**" has the meaning provided in Section 5.7.

"**Terminating Capital Transaction**" means the sale, exchange or other disposition of all or substantially all of the assets of the Company, after which transaction the Company is dissolved and terminated.

"**Trading Day**" means a day on which the principal national securities exchange on which a security is listed or admitted to trading is open for the transaction of business or, if a security is not listed or admitted to trading on any national securities exchange, shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"**Transaction**" has the meaning provided in Section 7.1(b).

"**Transfer**" means the offer, sale, assignment or other disposition of all or any portion of a Member's Membership Interest, whether voluntarily or by operation of law or at judicial sale or otherwise.

"**Transmission Area**" means the footprint of the Company in MISO as of the date of this Agreement, together with any future transmission upgrades or additions that are within, or directly interconnected with, the State of Wisconsin and/or the Upper Peninsula of Michigan.

"**Transmission Assets**" means the Transmission Facilities and associated Land Rights.

"**Transmission-Dependent Utility**" means an Electric Utility that is not a Transmission Utility and that is dependent on the transmission system of another Person for delivering electricity to the electric utility's customers.

"**Transmission Facility**" means any pipe, pipeline, duct, wire, line, conduit, pole, tower, equipment or other structure used for the transmission of electric power.

"**Transmission Utility**" means a cooperative organized under Chapter 185 of the Wisconsin Statutes or a public utility (as defined in § 196.01 of the Wisconsin Statutes) that owns a Transmission Facility in Wisconsin and that provides transmission service in Wisconsin.

"**Value**" means, with respect to any security, the average of the daily market price of such security for the ten consecutive Trading Days immediately preceding the date of such valuation. The market price for each such Trading Day shall be: (i) if such security is listed or admitted to trading on any securities exchange or the NASDAQ, the closing sale price, regular way, on such day, or if no such sale takes place on such day, the average of the closing bid and asked prices, regular way, on such day, (ii) if such security is not listed or admitted to trading on any securities exchange or the NASDAQ, the last reported sale price on such day or, if no sale takes place on such day, the average of the closing bid and asked prices on such day, as reported by a reliable quotation source designated by the Corporate Manager, or (iii) if such security is not listed or admitted to trading on any securities exchange or the NASDAQ and no such last reported sale price or closing bid and asked prices are available, the average of the reported high bid and low asked prices on such day, as reported by a reliable quotation source designated by the Company, or if there shall be no bid and asked prices on such day, the average of the high bid and low asked prices, as so reported, on the most recent day (not more than ten days prior to the date in question) for which prices have been so reported; provided that if there are no bid and asked prices reported during the ten days prior to the date in question, the value of the security shall be determined by a reputable investment bank or other valuation firm having experience in the valuation of public utility or electric transmission businesses that is proposed by the Corporate Manager, provided that the Non-Managing Members that will participate in the transaction for which Value is to be determined consent to such proposed selection, such consent not to be unreasonably withheld, conditioned or delayed. In such event the Corporate Manager shall instruct the bank or firm to establish an equity value for the entity applying a valuation methodology that is consistent with valuation analyses then prevalent in the industry, and the valuation of the security shall be the equity value divided by the total number of equity securities outstanding on a fully diluted basis, without applying any discount for minority ownership or lack of liquidity. The costs of such valuation determination shall be borne by the Company, provided that the Company will not be obligated to pay for more than one valuation determination in any twelve-month period, except as provided in the succeeding sentence. If a subsequent Member in any twelve-month period requests an additional valuation, the cost therefor shall be paid one-half by the Company and one-half by the Member or Members

participating in the transaction for which Value is to be determined. In the event the security includes any additional rights, then the value of such rights shall be determined by the Corporate Manager acting in good faith on the basis of such quotations and other information as it considers, in its reasonable judgment, appropriate.

"**Voting Members**" means each of WPPI and Holdco as long as it is a Member; provided that if any of WPL Transco, ATC Holding LLC, MGE Transco Investment LLC, Rainy River Energy Corporation-Wisconsin or Wisconsin Electric Power Company is a Member of the Company, but it or an Affiliate is not a member of Holdco, it shall be a Voting Member.

"**WPPI**" means WPPI Energy.

ARTICLE II
FORMATION OF COMPANY

Section 2.1 Name, Office, Registered Agent and Continuance.

(a) The name of the Company is AMERICAN TRANSMISSION COMPANY LLC. The Company's registered office is located at 8040 Excelsior Drive, Suite 200, Madison, WI, 53717, and its registered agent is CT Corporation System, whose business office is identical with the Company's registered office. The Company's principal office and place of business is located at W234 N2000 Ridgeview Parkway Court, Waukesha, Wisconsin 53188-1022, or such other places as the Corporate Manager may determine.

(b) The Company was formed upon the filing of a Certificate of Formation with the Wisconsin Department of Financial Institutions on June 12, 2000, and hereby continues its existence.

Section 2.2 Governing Law.

This Agreement and all questions with respect to the rights and obligations of the Members, the construction, enforcement and interpretation hereof, and the formation, administration and termination of the Company shall be governed by the provisions of the Act and other applicable laws of the State of Wisconsin and the Federal Power Act.

Section 2.3 Purpose.

(a) The sole purpose of the Company is the planning, constructing, operating, maintaining and expanding of Transmission Facilities in the Transmission Area, and the providing of transmission service with respect to such Transmission Facilities, to provide for an adequate and reliable transmission system that meets the needs of all users that are dependent on the transmission system, and that supports effective competition in energy markets without favoring any market participant, and to engage in any and all other activities incidental or appropriate thereto.

(b) Subject to obtaining appropriate federal or state regulatory approvals and to the extent not inconsistent with the restrictions set forth in Section 2.3(e), the Company may acquire, own, lease, construct, operate and expand Transmission Assets in the Transmission Area, or

purchase or acquire the right to provide transmission service over Transmission Facilities in the Transmission Area that the Company does not own.

(c) Notwithstanding Section 2.3(b), the Company may not undertake:

(i) Merchant Transmission Projects in the Transmission Area; or

(ii) Transmission projects in the Transmission Area that are competitively bid under FERC Order 1000 (or its successor), unless and until either (i) DATC is no longer owned directly or indirectly, 50% by the Company and/or by Holdco and 50% by Duke Energy Corporation; or (ii) Holdco advises the Company that DATC does not intend to bid on or undertake such transmission project. If DATC does not intend to bid on a transmission project that is to be competitively bid under FERC Order 1000 (or its successor), Holdco shall promptly notify the Company that DATC does not intend to bid on such transmission project; or

(iii) A transmission project in the Transmission Area to which WPPI objects. Upon approval by the Corporate Manager's board of directors of a transmission project in the Transmission Area, the Corporate Manager shall notify WPPI, and shall provide it with information with respect to the proposed project, including its cost and timing, together with such other information as WPPI may reasonably request. If WPPI objects to such transmission project within twenty Business Days following its receipt of the necessary information from the Corporate Manager, the Corporate Manager shall promptly notify Holdco that WPPI has objected to the transmission project.

(d) Holdco hereby agrees that it may not (either directly or through an Affiliate, as defined in its Operating Agreement as of the date hereof) develop or participate in a transmission project in the Transmission Area, unless:

(i) It is a Merchant Transmission Project;

(ii) It is a transmission project that is competitively bid under FERC Order 1000 (or its successor), as to which DATC proposes to bid on or undertake, and DATC is owned, directly or indirectly, 50% by the Company and/or Holdco and 50% by Duke Energy Corporation at the time such bid is to be submitted; or

(iii) WPPI Energy objects to a transmission project in the Transmission Area that the Company proposed to undertake, and the Company has advised Holdco that WPPI has objected to such transmission project.

(e) The Company undertakes and acknowledges that it shall:

(i) Have the exclusive duty to provide transmission service in those areas where it owns or leases Transmission Assets;

(ii) Assume the obligations of a Transmission Utility under any agreement of such Transmission Utility to provide transmission service over its Transmission Facilities or credits for the use of Transmission Facilities, provided that the Company may modify

any such agreement to the extent allowed under the agreement and to the extent allowed under state or federal law; and

(iii) Ensure that the Transmission Facilities in the Transmission Area are planned, constructed, operated, maintained and controlled as part of a single transmission system, and are included in a single zone for the purpose of the MISO OATT.

Section 2.4 Powers.

The Company shall have all the powers incident and appropriate to the performance of its purposes as set forth in Section 2.3, and all other powers of limited liability companies under the Act. Without limiting the foregoing, the Company shall have all the powers of a transmission company under Chapter 196, and as appropriate, under analogous provisions of other states' laws where the Company is conducting business.

Section 2.5 Restrictions. The Company may not:

(a) sell or transfer its Transmission Assets located in the Transmission Area to, or merge such Transmission Assets with, another Person, unless (A) such Transmission Assets are sold, transferred or merged on an integrated basis and in a manner that ensures that the Company's Transmission Facilities in the Transmission Area are planned, constructed, operated, maintained and controlled as a single transmission system and (B) the successor agrees to be bound by the provisions of Section 2.7;

Notwithstanding the foregoing, the Company may sell, transfer or otherwise merge assets on a state-by-state basis, provided that such assets are sold, transferred or merged on an integrated basis and in a manner that ensures that such assets are planned, constructed, operated, maintained and controlled as a single transmission system, and the successor agrees to be bound by the provisions of Section 2.7.

(b) Bypass the distribution facilities of an Electric Utility or provide service directly to a retail customer or member of a retail cooperative;

(c) Own electric generation facilities, or sell, market or broker electric capacity or energy in a relevant wholesale or retail market, or as determined by the PSCW, except that, if authorized or required by FERC, the Company may purchase or resell ancillary services obtained from third parties and engage in redispatch activities that are necessary to relieve transmission constraints or operate a control area.

Section 2.6 Term.

(a) The Company shall have perpetual existence unless sooner dissolved or terminated as provided herein. Subject to any approvals required under state or federal law, the Company shall be dissolved upon the first to occur of the following events:

(i) The determination by the Corporate Manager to dissolve and terminate the Company in accordance with Section 183.0901(1) of the Act; or

(ii) The entry of a decree of judicial dissolution under Section 183.0902 of the Act.

(b) The bankruptcy, insolvency, dissociation or dissolution of one or more of the Non-Managing Members shall not dissolve the Company.

(c) Upon the dissolution of the Company for any reason, the Corporate Manager shall proceed promptly to wind up the affairs of and liquidate the Company. The Corporate Manager shall have reasonable discretion to determine the time, manner and terms of any sale or sales of the Company's property pursuant to such liquidation.

Section 2.7 Adequacy.

(a) Subject to applicable regulatory approvals, including adherence to least-cost planning requirements and principles, and subject to the oversight and direction of MISO where applicable, the Company shall have a public utility duty to operate, maintain, plan and construct its transmission system so that the system is adequate:

(i) (A) to support effective competition in energy markets without favoring any market participant;

(B) to deliver on a reliable basis the reasonable, projected needs of all of the loads on the electric distribution systems connected to and dependent upon the Company's facilities for delivery of reliable, low-cost and competitively-priced electricity to such distribution systems; and

(C) to provide needed support to the distribution systems interconnected to the Company's system, where a transmission addition is the least-cost electric solution to an improvement need, including but not limited to, the reliability needs of the distribution systems that are owned by the initial Non-Managing Members or their members.

(ii) to receive energy from both existing and new generating facilities connected to and dependent upon the Company's transmission of such energy.

(b) In meeting these obligations, the Company shall treat the needs of each electric distribution system interconnected to the Company's system, the electric loads on each system and interconnected generation facilities, in a non-discriminatory manner. The costs of additions to the Company's transmission system to meet this adequacy obligation shall not be directly assigned or charged to a distribution system, to end users or to generating facilities separately, except in circumstances where approved or required by the appropriate regulatory agency.

Section 2.8 Operating Protocols.

(a) The Company has established certain operating protocols that are consistent with the OATT.

(b) If the Company provides terms in any of its agreements with a Member that are more favorable to a Member than those granted to any other Member, all Members similarly situated (including any member of a Member) shall be entitled to such terms. A term is not more favorable if each Member is offered cost-based terms.

ARTICLE III

MEMBERS AND CAPITAL CONTRIBUTIONS

Section 3.1 Members and Schedule A.

(a) The name, address, Capital Contributions, number of Member Units and Percentage Interest of each of the Members are listed on Schedule A.

(b) The Company may, upon approval of the Board of Directors of the Corporate Manager, admit such additional Persons as Members after the Operations Date upon such terms and conditions as the Corporate Manager deems appropriate, provided, however, that with respect to the issuance of Member Units for cash, it shall first have complied with the provisions of Section 3.6.

(c) The Corporate Manager shall amend Schedule A upon the admission of additional Members and upon any adjustment in the Members' Capital Contributions, number of Member Units and Percentage Interests.

Section 3.2 Reserved.

Section 3.3 Reserved.

Section 3.4 Pre-emptive Rights.

(a) Purchase of Right.

(i) Any Member (including Holdco on behalf on an Affected Holdco Member) that has elected to receive distributions approximating 100% of such Member's, or an Affected Holdco Member's, allocable share of Company Profits pursuant to Section 6.2(c) may, in such Member's sole discretion, contribute cash to the Company in an amount equal to the amount determined in Section 6.2(d) for additional Member Units.

(ii) Upon the contribution of additional Transmission Assets located in the State of Wisconsin after the Operations Date and until a Listing by the Company or Corporate Manager, any Wisconsin-based Member which on December 31, 2000 was a Transmission-Dependent Utility shall have the right to maintain its Percentage Interest calculated one day before contribution of such additional Transmission Assets by paying cash for additional Member Units; provided, however, that a Transmission-Dependent Utility that is a member of Holdco shall have no right to become a Member or maintain its Percentage Interest herein.

(b) Member Unit Price.

(i) The price for Member Units issued pursuant to Section 3.4(a)(i) shall equal the price at which such Member's Member Units were redeemed.

(ii) The price for Member Units issued pursuant to Section 3.4(a)(ii) shall equal the price at which the Company is then issuing Member Units to others that is causing the dilution.

(c) Notice. Until a Listing by the Company or Corporate Manager, the Corporate Manager shall give prompt notice to each Tax-Exempt Member of any proposed contribution of Transmission Assets that would dilute a Tax-Exempt Member's interest and permit it to maintain its Percentage Interest in accordance with Section 3.4(a)(ii). If it desires to maintain its Percentage Interest, such Tax-Exempt Member shall, within 30 days thereafter, advise the Corporate Manager of its intention to purchase additional Member Units.

(d) Payment of Purchase Price. Any additional Member Units purchased shall be paid for within 30 days following the contribution giving rise to such right to purchase additional Member Units, but not earlier than 60 days after notice to the Tax-Exempt Members as provided for in Section 3.4(c) hereof. Failure to purchase additional Member Units within the time specified shall terminate a Member's rights pursuant to this Section 3.4 in respect of the event giving rise to such rights. Payment shall be made by wire transfer of clearing house funds, if so specified by the Company, and otherwise by check payable to the order of the Company.

Section 3.5 Reserved.

Section 3.6 Voluntary Additional Capital Contributions.

(a) No Member may be required at any time to contribute any additional amounts or assets to the Company.

(b) If the Corporate Manager determines that additional equity capital is required for Company operations and activities, and shall determine not to effect a Listing at that time or otherwise obtain funding in accordance with the provisions of Section 3.7, the Corporate Manager shall issue a call notice to the Members advising them of the total funding that the Company seeks, each Member's pro rata share thereof (based upon its Percentage Interest), the price per Member Unit and the date upon which such voluntary contributions are to be payable, which shall be a date not less than 45 days subsequent to the date of such notice.

(c) Each Member shall have the right, but not the obligation, to contribute its pro rata share for additional Member Units thereof by giving notice to the Company within 30 days following receipt of such call notice from the Corporate Manager. If fewer than all the Members agree to contribute their pro rata amounts, then the other Members that do contribute their pro rata amounts shall have the right to contribute such additional amounts for additional Member Units in accordance with their Percentage Interests (excluding the Percentage Interests of the non-participating Members). Notwithstanding the foregoing, Holdco shall have the right to contribute additional amounts on account of itself and any Members who also are members of Holdco, and such Members shall not be eligible to make direct additional contributions hereunder.

(d) Each Member shall make payment of its portion of the capital call on or before 11:00 a.m., central time, on the due date. Payment shall be made by wire transfer of clearing house funds, if so designated in the call notice, and otherwise by check payable to the order of the Company.

(e) Except as provided in Sections 3.4, 3.6(c) or 3.7, no Member shall have the right to make additional cash contributions to the Company after the Operations Date.

Section 3.7 Issuance to Corporate Manager.

The Corporate Manager may contribute additional capital to the Company, from time to time, and receive additional Member Interests in respect thereof, in the manner contemplated in this Section 3.7.

(a) Issuances of Additional Company Interests.

(i) General. The Corporate Manager is hereby authorized to cause the Company to issue such additional Member Interests in the form of Member Units for any Company purpose at any time or from time to time to the Members (including the Corporate Manager) for such consideration and on such terms and conditions as shall be established by the Corporate Manager in its sole and absolute discretion, all without the approval of any Member. Any additional Member Interests issued thereby may be issued in one or more classes, or one or more series of any of such classes, with such designations, preferences and relative, participating, optional or other special rights, powers and duties, including rights, powers and duties senior to Member Interests, all as shall be determined by the Corporate Manager in its sole and absolute discretion and without the approval of any Member, including without limitation, (i) the allocations of items of Company income, gain, loss, deduction and credit to each such class or series of Member Interests; (ii) the right of each such class or series of Member Interests to share in Company distributions; and (iii) the rights of each such class or series of Member Interests upon dissolution and liquidation of the Company; provided, however, that no additional Member Interests shall be issued to the Corporate Manager unless:

(A) the additional Member Interests are issued in connection with an issuance of Corporate Shares of or other interests in the Corporate Manager, (1) which shares or interests have designations, preferences and other rights, all such that the economic interests are substantially similar to the designations, preferences and other rights of the additional Member Interests issued to the Corporate Manager by the Company in accordance with this Section 3.7 and (2) the Corporate Manager shall make a Capital Contribution to the Company in an amount equal to the consideration received in connection with the issuance of such shares of stock of or other interests in the Corporate Manager;

(B) the additional Member Interests are issued in exchange for property owned by the Corporate Manager with a fair market value, as determined by the Corporate Manager, in good faith, equal to the value of the Member Interests; or

(C) additional Member Interests are issued to all Members in proportion to their respective Percentage Interests.

Without limiting the foregoing, the Corporate Manager is expressly authorized to cause the Company to issue Member Units for less than fair market value, so long as the Corporate Manager concludes in good faith that such issuance is in the best interests of the Corporate Manager and the Company.

(ii) Upon Issuance of Additional Securities. The Corporate Manager shall not issue any additional Corporate Shares (other than Corporate Shares issued in connection with an exchange pursuant to Section 8.4 hereof) or rights, options, warrants or convertible or exchangeable securities containing the right to subscribe for or purchase Corporate Shares other than to all holders of Corporate Shares, unless (A) the Corporate Manager shall cause the Company to issue to the Corporate Manager Member Interests or rights, options, warrants or convertible or exchangeable securities of the Company having designations, preferences and other rights, all such that the economic interests of such Member Interests or rights, options, warrants or securities are substantially similar to those of the Additional Securities, and (B) the Corporate Manager contributes the proceeds from the issuance of such Additional Securities and from any exercise of rights contained in such Additional Securities to the Company. Without limiting the foregoing, the Corporate Manager is expressly authorized to issue Additional Securities for less than fair market value, and to cause the Company to issue to the Corporate Manager corresponding Member Interests, so long as (x) the Corporate Manager concludes in good faith that such issuance is in the best interests of the Corporate Manager and the Company, including without limitation, the issuance of Corporate Shares and corresponding Member Units pursuant to an employee share purchase plan providing for employee purchases of Corporate Shares at a discount from fair market value or employee stock options that have an exercise price that is less than the fair market value of the Corporate Shares, either at the time of issuance or at the time of exercise, and (y) the Corporate Manager contributes all proceeds from such issuance to the Company. For example, in the event the Corporate Manager issues Corporate Shares for a cash purchase price and contributes all of the proceeds of such issuance to the Company as required hereunder, the Corporate Manager shall be issued a number of additional Member Units equal to the product of (A) the number of such Corporate Shares issued by the Corporate Manager, the proceeds of which were so contributed, multiplied by (B) a fraction, the numerator of which is 100%, and the denominator of which is the Conversion Factor in effect on the date of such contribution.

(b) Certain Contributions of Proceeds of Issuance of Corporate Shares. In connection with any and all issuances of Corporate Shares (other than an issuance in an exchange pursuant to Section 8.4), the Corporate Manager shall make Capital Contributions to the Company of the proceeds therefrom, provided that if the proceeds actually received and contributed by the Corporate Manager are less than the gross proceeds of such issuance as a result of any underwriter's discount or other expenses paid or incurred in connection with such issuance, then the Corporate Manager shall make a Capital Contribution of such net proceeds to the Company but shall receive additional Member Units with a value equal to the aggregate amount of the gross proceeds of such issuance pursuant to Section 3.7(a) hereof. Upon any such Capital

Contribution by the Corporate Member, the Corporate Manager's Capital Account shall be increased by the actual amount of its Capital Contribution pursuant to Section 3.8 hereof.

(c) Redemption of Corporate Shares. In the event the Corporate Manager redeems any Corporate Shares, then the Corporate Manager shall cause the Company to purchase from the Corporate Manager a number of Member Units as determined based on the application of the Conversion Factor on the same terms that the Corporate Manager redeemed such Corporate Shares. Moreover, if the Corporate Manager makes a cash tender offer or other offer to acquire Corporate Shares, then the Corporate Manager shall cause the Company to make a corresponding offer to the Corporate Manager to acquire an equal number of Member Units held by the Corporate Manager. In the event any Corporate Shares are redeemed by the Corporate Manager pursuant to such offer, the Company shall redeem an equivalent number of the Corporate Manager's Member Units for an equivalent purchase price based on the application of the Conversion Factor.

Section 3.8 Capital Accounts.

(a) A separate capital account (a "Capital Account") shall be established and maintained for each Member in accordance with Regulations Section 1.704-1(b)(2)(iv). Without limiting the foregoing, Capital Accounts shall be maintained in accordance with the following provisions: (i) to each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's allocable share of Profits and any items in the nature of income or gain which are specially allocated pursuant to Sections 6.1(a), (b), (c) or (d) hereof, and the amount of any Company liabilities assumed by such Member or which are secured by any Company asset distributed to such Member, (ii) to each Member's Capital Account there shall be debited the amount of cash and the fair market value as determined by the Corporate Manager, of any Company asset distributed to such Member pursuant to any provision of this Agreement, such Member's allocable share of Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Sections 6.1(a), (b), (c) or (d) hereof, and the amount of any liabilities of such Member assumed by the Company or that are secured by any asset contributed by such Member to the Company. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations, and any dispute among the Company and the Members shall be resolved pursuant to the Dispute Resolution Provisions.

(b) When a new or existing Member acquires an additional Membership Interest, the Corporate Manager shall determine the potential "Adjustment in Value" by multiplying the Company's unrealized gain or loss (calculated by multiplying (x) the difference between (A) the Net Book Value and (B) the implied value of the Company, based upon the price per Member Unit of Member Units issued in exchange for such additional Membership Interest times the total number of Member Units outstanding, by (y) the difference between the contributing Member's new Percentage Interest and its previous Percentage Interest, if any).

(i) If a new or existing Member acquires an additional Membership Interest, and (A) the resulting potential Adjustment in Value exceeds 3% of the Net Book Value, or (B) if the aggregate Adjustment in Value measured from the time of the most recent

adjustment exceeds 3% of the Net Book Value, the Corporate Manager shall revalue the property of the Company to its fair market value (as determined by the Corporate Manager, and taking into account Code Section 7701(g)) in accordance with Regulations Section 1.704-1(b)(2)(iv)(f).

(ii) If (A) a new or existing Member acquires an additional Membership Interest in exchange for more than a *de minimis* Capital Contribution that is not covered by Section 3.8(b)(i), (B) the Company distributes to a Member more than a *de minimis* amount of Company property as consideration for a Membership Interest or (C) the Company is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), the Corporate Manager may, in its sole and absolute discretion, revalue the property of the Company to its fair market value (as determined by the Corporate Manager, in its sole and absolute discretion, and taking into account Code Section 7701(g)) in accordance with Regulations Section 1.704-1(b)(2)(iv)(f).

(iii) When the Company's property is revalued by the Corporate Manager, the Capital Accounts of the Members shall be adjusted in accordance with Regulations Sections 1.704-1(b)(2)(iv)(f) and (g), which generally require such Capital Accounts to be adjusted to reflect the manner in which the unrealized gain or loss inherent in such property (that has not been reflected in the Capital Accounts previously) would be allocated among the Members pursuant to Section 6.1 if there were a taxable disposition of such property for its fair market value (as determined by the Corporate Manager, in its sole and absolute discretion, and taking into account Code Section 7701(g)) on the date of the revaluation.

Section 3.9 Reserved.

Section 3.10 No Interest.

No interest shall be paid on Capital Contributions or on the balance in each Member's Capital Account.

Section 3.11 No Third Party Beneficiary.

No creditor or other third party having dealings with the Company shall have the right to enforce the right or obligation of any Member to make Capital Contributions or loans or to pursue any other right or remedy hereunder or at law or in equity, it being understood and agreed that the provisions of this Agreement shall be solely for the benefit of, and may be enforced solely by, the parties hereto and their respective successors and assigns. None of the rights or obligations of the Members herein set forth to make Capital Contributions shall be deemed an asset of the Company for any purpose by any creditor or other third party, nor may such rights or obligations be sold, transferred or assigned by the Company or pledged or encumbered by the Company to secure any debt or other obligation of the Company or of any of the Members. In addition, it is the intent of the parties hereto that no distribution to any Member shall be deemed a return of money or other property in violation of the Act. However, if any court of competent jurisdiction holds that, notwithstanding the provisions of this Agreement, any Member is obligated to return such money or property, such obligation shall be the obligation of such

Member and not of the Corporate Manager. Without limiting the generality of the foregoing, a deficit Capital Account of a Member shall not be deemed to be a liability of such Member or an asset or property of the Company.

Section 3.12 Member Units as Securities.

Member Units will not be evidenced by certificates, writings, instruments or other documents. Membership Units shall be deemed to be "securities" as that term is defined in Article 8. The creation and perfection of a security interest in Member Units will be governed by Article 8.

Section 3.13 Month-End Convention.

For purposes of this Agreement, all Capital Contributions, other than the initial Capital Contributions, shall be deemed to be received at the end of the month in which they actually are received by the Company.

Section 3.14 Investment in Corporate Manager.

Except to the extent that Corporate Shares are received in response to a Notice of Redemption, the Members agree that each of the Non-Managing Members or their Affiliates other than Holdco (and with respect to Holdco, its members or their Affiliates other than Holdco) will hold shares of common stock in the Corporate Manager in roughly the same proportion as their respective Percentage Interests in the Company, excluding the Percentage Interests of the Corporate Manager. If a new Person becomes a Member of the Company, it shall, as a condition to becoming a Member of the Company, acquire that number of Corporate Shares such that it shall have a proportionate interest therein roughly equal to its Percentage Interest in the Company, excluding the Percentage Interests of the Corporate Manager. Similarly, a Person who owns or acquires shares of common stock of the Corporate Manager will have an indirect interest in the Company through the Corporate Manager's use of the proceeds thereof to acquire Member Units in the Company pursuant to Section 3.7.

ARTICLE IV

RIGHTS, OBLIGATIONS AND POWERS OF THE CORPORATE MANAGER

Section 4.1 Management of the Company.

(a) Except as otherwise expressly provided in this Agreement, the Corporate Manager shall have full, complete and exclusive discretion to manage and control the business of the Company for the purposes herein stated, and shall make all decisions affecting the business and assets of the Company. Subject to the restrictions specifically contained in this Agreement, the powers of the Corporate Manager shall include, without limitation, the authority to take all actions on behalf of the Company as provided in Section 2.4 and to take such other action, execute, acknowledge, swear to or deliver such other documents and instruments, and perform any and all other acts that the Corporate Manager deems necessary or appropriate for the formation, continuation and conduct of the business and affairs of the Company. The Corporate

Manager shall have all powers as a manager under the Act to do all things necessary and convenient to carry out the Company's business to the fullest extent provided by the Act.

(b) Except as otherwise provided herein, to the extent the duties of the Corporate Manager require expenditures of funds to be paid to third parties, the Corporate Manager shall not have any obligations hereunder except to the extent that Company funds are reasonably available to it for the performance of such duties, and nothing herein contained shall be deemed to authorize or require the Corporate Manager, in its capacity as such, to expend its individual funds for payment to third parties or to undertake any individual liability or obligation on behalf of the Company.

Section 4.2 Authority of Corporate Manager.

Subject to applicable regulatory approvals, the Corporate Manager may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Company, which Person may, under supervision of the Corporate Manager, perform any acts or services for the Company as the Corporate Manager may approve. The Corporate Manager agrees that, during the time that the Company owns any interest in DATC, the Corporate Manager will vote the Company's interest consistent with the way in which Holdco's corporate manager is voting Holdco's interests therein.

Section 4.3 Indemnification and Exculpation of Indemnitees.

(a) The Company shall indemnify an Indemnitee from and against any and all expenses (including fees, costs, charges, disbursements, attorneys' fees and any other expenses incurred in connection with a proceeding) and liabilities (including any obligation to pay a judgment, settlement, penalty, assessment, forfeiture or fine, including an excise tax assessed with respect to an employee benefit plan, and reasonable expenses) arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Company in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, unless it is established that: (i) the Indemnitee failed to deal fairly with the Company or its Members in connection with a matter in which the Indemnitee has a material conflict of interest; (ii) the Indemnitee violated criminal law, unless the Indemnitee had reasonable cause to believe that its conduct was lawful or had no reasonable cause to believe that the conduct was unlawful; (iii) the matter relates to a transaction from which the Indemnitee derived an improper personal profit; or (iv) the Indemnitee engaged in willful misconduct. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 4.3(a). The termination of any proceeding by conviction or upon a plea of nolo contendere or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee acted in a manner contrary to that specified in this Section 4.3(a). Any indemnification pursuant to this Section 4.3(a) shall be made only out of the assets of the Company.

(b) The Company may reimburse an Indemnitee for reasonable expenses incurred by an Indemnitee who is a party to a proceeding in advance of the final disposition of the proceeding upon receipt by the Company of (i) a written affirmation by the Indemnitee of the

Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Company as authorized in this Section 4.3 has been met, and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

(c) The indemnification provided by this Section 4.3 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Members, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity.

(d) The Company may purchase and maintain insurance, on behalf of the Indemnitees and such other Persons as the Corporate Manager shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Company's activities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 4.3, the Company shall be deemed to have requested an Indemnitee to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the Company or the Corporate Manager also imposes duties on, or otherwise involves services by, it to the plan or participants or beneficiaries of the plan; excise taxes assessed on an Indemnitee with respect to an employee benefit plan pursuant to applicable law shall constitute fines within the meaning of this Section 4.3; and actions taken or omitted by the Indemnitee with respect to an employee benefit plan in the performance of its duties for a purpose reasonably believed by it to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is not opposed to the best interests of the Company.

(f) In no event may an Indemnitee subject the Non-Managing Members to personal liability by reason of the indemnification provisions set forth in this Agreement.

(g) An Indemnitee shall not be denied indemnification in whole or in part under this Section 4.3 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Section 4.3 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) Any amendment, modification or repeal of this Section 4.3 or any provision hereof shall be prospective only and shall not in any way affect the indemnification of an Indemnitee by the Company under this Section 4.3 as in effect immediately prior to such amendment, modification or repeal with respect to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when claims relating to such matters may arise or be asserted.

Section 4.4 Liability of the Corporate Manager.

(a) Notwithstanding anything to the contrary set forth in this Agreement, the Corporate Manager shall not be liable for monetary damages to the Company or any Members for losses sustained or liabilities incurred as a result of actions or omissions consistent with the standard to which directors of a Wisconsin corporation are held. The Corporate Manager shall not be in breach of any duty that the Corporate Manager may owe to the Non-Managing Members or the Company or any other Persons under this Agreement or of any duty stated or implied by law or equity provided the Corporate Manager, acting in good faith, abides by the terms of this Agreement.

(b) The Non-Managing Members expressly acknowledge that the Corporate Manager is acting on behalf of the Company and the Corporate Manager's shareholders collectively, that the Corporate Manager is under no obligation to consider the separate interests of the Non-Managing Members (including, without limitation, the tax consequences to Non-Managing Members or the tax consequences of some, but not all, of the Non-Managing Members) in deciding whether to cause the Company to take (or decline to take) any actions. In the event of a conflict between the interests of the shareholders of the Corporate Manager on one hand and the Non-Managing Members on the other, the Corporate Manager shall endeavor in good faith to resolve the conflict. The Corporate Manager shall not be liable for monetary damages for losses sustained, liabilities incurred or benefits not obtained by Non-Managing Members in connection with such decisions, provided that the Corporate Manager has acted in good faith.

(c) Subject to its obligations and duties as Corporate Manager set forth in Section 4.1 hereof, the Corporate Manager may exercise any of the powers granted to it under this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents. The Corporate Manager shall not be responsible for any misconduct or negligence on the part of any such agent appointed by it in good faith.

(d) Notwithstanding any other provisions of this Agreement or the Act, any action of the Corporate Manager on behalf of the Company or any decision of the Corporate Manager to refrain from acting on behalf of the Company, undertaken in the good faith belief that such action or omission is necessary or advisable in order to protect the ability of the Company to continue to be classified as a partnership for federal, state and local income tax purposes, is expressly authorized under this Agreement and is deemed approved by all of the Non-Managing Members.

(e) Any amendment, modification or repeal of this Section 4.4 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the Corporate Manager's liability to the Company and the Non-Managing Members under this Section 4.4 as in effect immediately prior to such amendment, modification or repeal with respect to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when claims relating to such matters may arise or be asserted.

Section 4.5 Corporate Expenses and Administrative Expenses.

(a) Except as provided in this Section 4.5 and elsewhere in this Agreement (including the provisions of Article VI regarding distributions, payments and allocations to which it may be entitled), the Corporate Manager shall not be compensated for its services as Corporate Manager of the Company.

(b) The Corporate Manager is entitled to be reimbursed for all Corporate Expenses and Administrative Expenses incurred by it on behalf of the Company and its Subsidiaries. To the extent that the Corporate Manager provides services or other accommodations to a third party, the Corporate Manager will fairly and equitably allocate its expenses among the Company and such other party or any other entities for which the Corporate Manager serves as manager.

Section 4.6 Reserved.

Section 4.7 Title to Company Assets.

Except to the extent that the Corporate Manager may possess a nominal fractional undivided interest in the Transmission Assets, title to Company assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Member, individually or collectively, shall have any ownership interest in such Company assets or any portion thereof. Title to any or all of the Company assets may be acquired and held in the name of the Company or for the account of the Company, by the Corporate Manager or one or more nominees, as the Corporate Manager may determine. The Corporate Manager hereby declares and warrants that any Company assets for which legal title is held in the name of the Corporate Manager or any nominee or Affiliate of the Corporate Manager shall be property of the Company under Section 183.0701 of the Act and shall be held by the Corporate Manager for the exclusive use and benefit of the Company in accordance with the provisions of this Agreement. All Company assets shall be recorded as the property of the Company in its books and records, irrespective of the names in which legal title to such Company assets are held.

ARTICLE V

ACCOUNTING, TAX AND FISCAL MATTERS

Section 5.1 Fiscal and Taxable Year.

The Company hereby adopts the calendar year, January 1 through and including December 31, as its fiscal and tax year, except as otherwise may be required by Code Section 706.

Section 5.2 Books.

The books and records of the Company shall be kept in accordance with usual and customary accounting practices on the accrual method and in accordance with GAAP, FERC's Uniform System of Accounts, and applicable tax requirements.

Section 5.3 Records.

(a) The Company shall keep at its principal place of business all of the following:

(i) A list, kept in alphabetical order, of each past and present Member and manager. The list shall include the full name and last-known mailing address of each Member or manager, the date on which the person became a Member or manager and the date, if applicable, on which the Person ceased to be a Member or manager.

(ii) A copy of the Company's articles of organization and all amendments to the articles.

(iii) Copies of the Company's federal, state and local income or franchise tax returns and financial statements, if any, for the four most recent years or, if such returns and statements are not prepared for any reason, copies of the information and statements provided to, or which should have been provided to, the Members to enable them to prepare their federal, state and local income tax returns for the four most recent years.

(iv) Copies of this Agreement, all amendments hereto and any operating agreements no longer in effect.

(b) Upon reasonable request, a Member or any member of Holdco may, at such Person's own expense, inspect and copy during ordinary business hours any Company record required to be kept under Section 5.3(a).

(c) The Corporate Manager shall provide, to the extent that the circumstances render it just and reasonable, true and full information of all things affecting the Members, including any records relating to the Transmission Assets contributed by such Member or any member of Holdco, to any Member or member of Holdco, or to the legal representative of any such Person upon reasonable request of such Person or the legal representative.

(d) The failure of the Company to keep or maintain any of the records or information required under this Section shall not be grounds for imposing liability on any Person for the debts and obligations of the Company.

Section 5.4 Company Funds.

The funds of the Company shall be kept in the name of the Company in one or more separate bank accounts with banks or trust companies as selected by the Corporate Manager. Withdrawals from such bank accounts shall be made only by Persons approved by the Corporate Manager.

Section 5.5 Tax Returns.

(a) The Corporate Manager shall cause the Company to timely file all Company income tax returns required to be filed by the jurisdictions in which the Company conducts business or derives income. By June 30 of each year, the Corporate Manager shall cause to be

furnished to each Person who was a Member during the prior fiscal year all available information necessary for inclusion in such person's income tax returns for such year.

(b) Within 45 days following the end of each fiscal quarter, the Corporate Manager shall cause to be forwarded to each Person who was a Member during such quarter, a statement setting forth such Member's share of taxable income for such quarter, it being understood that all such numbers shall be estimates and subject to year-end adjustment, and the Corporate Manager shall have no liability with respect to such numbers as long as they were provided in good faith.

Section 5.6 Tax Elections.

(a) The Members intend that the Company be treated as a partnership for U.S. federal income tax purposes. Absent the consent of each Voting Member, no election shall be made by the Company or any Member for the Company to be treated as a corporation, or an association taxable as a corporation, under the Code or any provisions of any state or local laws.

(b) Subject to Section 5.6(a), the Corporate Manager shall have the right, in its sole discretion but after consultation with the Members affected thereby, at any time to make or not to make elections for income tax purposes that are authorized or permitted by any law or regulation (including Code Section 754).

Section 5.7 Tax Matters, Tax Elections and Special Basis Adjustments.

The Corporate Manager shall be the tax matters member (the "Tax Matters Member") of the Company within the meaning of Code Section 6231, unless and until it shall no longer own a Member Interest, in which event the Member owning the largest Member Interest shall serve as the Tax Matters Member. The Tax Matters Member shall have the right and obligation to take all actions authorized and required, respectively, by the Code for the Tax Matters Member, and shall manage any administrative tax proceedings conducted at the Company level by the Service with respect to Company matters. All expenses and fees incurred by the Tax Matters Member on behalf of the Company not otherwise reimbursed shall constitute Corporate Expenses.

Subject to the provisions of Section 5.6, all other elections required or permitted to be made by the Company under the Code may be made by the Tax Matters Member in accordance with any tax agreement among the Members or in the absence of such agreement, in such manner as determined by the Tax Matters Member, in the exercise of its reasonable discretion, and permitted by the provisions of the Code.

ARTICLE VI

ALLOCATIONS AND DISTRIBUTIONS

Section 6.1 Allocations.

(a) Profit and Loss. Except as provided in Section 6.1(b), (c) and (d), for each month each Member shall be allocated the following items in the order of priority listed below with respect to each calendar month:

(i) To each Taxable Member and each Partially Taxable Member, an amount equal to the Company's Tax Expense Recovery Income multiplied by an allocation factor that is the quotient of such Member's Percentage Interest divided by the total Percentage Interest of all Taxable and Partially Taxable Members. If the Service amends or supplements PLR-104930-07 in any enforceable manner contemplated by Section 11.8(b)(iv), then Tax Expense Recovery Income shall be allocated consistent with such amendment or supplement.

(ii) To each Member, an amount equal to the Profit and Loss of the Company for such month multiplied by such Member's Percentage Interest.

(b) Minimum Gain Chargeback. Notwithstanding any provision to the contrary, (i) any expense of the Company that is a "nonrecourse deduction" within the meaning of Regulations Section 1.704-2(b)(1) shall be allocated in accordance with the Members' respective Percentage Interests, (ii) any expense of the Company that is a "partner nonrecourse deduction" within the meaning of Regulations Section 1.704-2(i)(2) shall be allocated to the Member that bears the "economic risk of loss" of such deduction in accordance with Regulations Section 1.704-2(i)(1), (iii) if there is a net decrease in Company Minimum Gain within the meaning of Regulations Section 1.704-2(f)(1) for any Company taxable year, then, subject to the exceptions set forth in Regulations Section 1.704-2(f)(2),(3), (4) and (5), items of gain and income shall be allocated among the Members in accordance with Regulations Section 1.704-2(f) and the ordering rules contained in Regulations Section 1.704-2(j), and (iv) if there is a net decrease in Member Nonrecourse Debt Minimum Gain within the meaning of Regulations Section 1.704-2(i)(4) for any Company taxable year, then, subject to the exceptions set forth in Regulations Section 1.704(2)(g), items of gain and income shall be allocated among the Members in accordance with Regulations Section 1.704-2(i)(4) and the ordering rules contained in Regulations Section 1.704-2(j). A Member's "interest in partnership profits" for purposes of determining its share of the nonrecourse liabilities of the Company within the meaning of Regulations Section 1.752-3(a)(3) shall be such Member's Percentage Interest.

(c) Qualified Income Offset. If a Member receives in any taxable year an adjustment, allocation or distribution described in subparagraphs (4), (5) or (6) of Regulations Section 1.704-1(b)(2)(ii)(d) that causes or increases a deficit balance in such Member's Capital Account that exceeds the sum of such Member's shares of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, as determined in accordance with Regulations Sections 1.704-2(g) and 1.704-2(i), such Member shall be allocated specially for such taxable year (and, if necessary, later taxable years) items of income and gain in an amount and manner sufficient to eliminate such deficit Capital Account balance as quickly as possible as provided in Regulations Section 1.704-1(b)(2)(ii)(d). After the occurrence of an allocation of income or gain to a Member in accordance with this Section 6.1(c), to the extent permitted by Regulations Section 1.704-1(b), items of expense or loss shall be allocated to such Member in an amount necessary to offset the income or gain previously allocated to such Member under this Section 6.1(c).

(d) Capital Account Deficits. Loss shall not be allocated to a Member to the extent that such allocation would cause a deficit in such Member's Capital Account (after reduction to reflect the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6)) to exceed

the sum of such Member's shares of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain. Any Loss in excess of that limitation shall be allocated to the other Members in accordance with their respective Percentage Interests. After the occurrence of an allocation of Loss to a Member in accordance with this Section 6.1(d), to the extent permitted by Regulations Section 1.704-1(b), Profit shall be allocated to such Member in an amount necessary to offset the Loss previously allocated to each Member under this Section 6.1(d).

(e) Varying Interests. If a Member transfers any part or all of its Membership Interest during a fiscal year of the Company, the distributive shares of the various items of Profit and Loss allocable among the Members during such fiscal year shall be allocated between the transferor and the transferee Member either (i) as if the Company's fiscal year had ended on the date of the transfer or (ii) based on the number of days of such fiscal year that each was a Member. If the Members' Percentage Interests are adjusted during a fiscal year of the Company, the Profits and Losses for such fiscal year shall be allocated between the part of the year ending on the day when the adjustment occurs and the part of the year beginning on the following day either (i) as if the taxable year had ended on the date of the adjustment or (ii) based on the number of days in each part. The allocation of Profits and Losses for the earlier part of the year shall be based on the Percentage Interests before adjustment, and the allocation of Profits and Losses for the later part shall be based on the adjusted Percentage Interests. The Corporate Manager, in its sole and absolute discretion, shall determine which method shall be used to allocate the distributive shares of the various items of Profit and Loss.

(f) Definition of Profit and Loss. "Profit" and "Loss" and any items of income, gain, expense or loss referred to in this Agreement shall mean the Company's net book income or loss (after taking into account all income and franchise taxes imposed directly on the Company)**,** as determined in accordance with GAAP and consistent with the principles of maintaining Capital Accounts in accordance with Regulations Section 1.704-1(b)(2)(iv), except that Profit and Loss shall not include the Company's Tax Expense Recovery Income and all items of income, gain and expense that are specially allocated pursuant to Sections 6.1(a), 6.1(b), 6.1(c) or 6.1(d). All allocations of income, profit, gain, loss and expense (and all items contained therein) for federal income tax purposes shall be identical to all allocations of such items set forth in this Section 6.1, except as otherwise required by Code Section 704(c) and Regulations Section 1.704-1(b)(4). The Corporate Manager elected the initial methods for allocating items of income, gain and expense as required by Code Section 704(c) with respect to the properties initially acquired by the Company. With respect to (i) other properties acquired by the Company and (ii) any amounts required to be taken into account using Code Section 704(c) principles due to a revaluation of Company assets pursuant to Section 3.8(b), the Corporate Manager shall have the authority, as provided in Section 5.6, to elect the method to be used by the Company for allocating items of income, gain and expense as required by Code Section 704(c) with respect to such properties, and such election shall be binding on all Members.

Section 6.2 Cash Available for Distribution.

(a) Cash Available for Distribution shall be distributed to the Members within the time frame set forth in Section 6.7 and in such amounts as the Corporate Manager shall determine as follows:

(i) First, to each Taxable Member and each Partially Taxable Member, an amount equal to its Member's Tax Expense Recovery Income Distributable Amount; provided, however, that if the Service amends or supplements PLR-104930-07 in any enforceable manner contemplated by Section 11.8(b)(iv), cash distributions of amounts attributable to Tax Expense Recovery Income to each Member shall be based on and limited to the amount of Tax Expense Recovery Income allocated to such Member pursuant to Section 6.1(a)(i) consistent with such amendment or supplement. In no event shall the aggregate amount of Tax Expense Recovery Income distributed pursuant to Section 6.2(a) exceed the amount of Tax Expense Recovery Income recovered and allocated to Members pursuant to Section 6.1(a)(i) in the preceding Natural Calendar Quarter. The Corporate Manager shall make commercially reasonable efforts to retain the collected Tax Expense Recovery Income and other Cash Available for Distribution sufficient to make distributions in the aggregate amount provided in this clause. However, if the Corporate Manager is unable to distribute to all Taxable Members and Partially Taxable Members the aggregate amount provided in this clause, the Corporate Manager shall distribute such lesser amount as is available to the Taxable Members and Partially Taxable Members on a pro rata basis according to their respective shares of Tax Expense Recovery Income for the preceding Natural Calendar Quarter.

(ii) After the distribution set forth in Section 6.2(a)(i), to all Members an amount equal to their respective Percentage Interests of Profit and Loss, as allocated pursuant to Section 6.1(a)(ii); provided, that no distributions shall be permitted pursuant to Section 6.2(a)(i) until amounts required to be distributed pursuant to Section 6.2(a)(i) including all amounts relating to prior distribution periods have first been paid.

(b) In the event that a Member, or a member of Holdco (an "Affected Holdco Member"), loses the right to use Equity Accounting, such member, or Holdco on behalf on an Affected Holdco Member, may, prior to October 1 of any year, notify the Corporate Manager that such Member, or Affected Holdco Member, has elected to receive a distribution of Cash Available for Distribution equal to 100% of such Member's, or such Affected Holdco Member's, allocable share of the Company's Profits for that year. Any Member (including Holdco on behalf of an Affected Holdco Member) may provide the Corporate Manager with standing instructions to that effect that shall prevail unless and until revoked by such Member.

(c) For any year during which a Member's, or an Affected Holdco Member's, election pursuant to Section 6.2(b) is in effect, the Corporate Manager will, subject to the requirements of the Act and Section 6.2(g), distribute Cash Available for Distribution to such Member, or to Holdco for such Affected Holdco Member, during that year in an amount approximating 100% of such Member's, or such Affected Holdco Member's, allocable share of Profits for the year.

(d) Any amounts received by a Member (including Holdco on behalf of an Affected Holdco Member) pursuant to Section 6.2(c) that are in excess of amounts distributed pursuant to Section 6.2(a) shall be applied in redemption of all or a portion of the Member Units held by such Member, effective as of the end of the preceding Natural Calendar Quarter. For purposes of this Section 6.2(d), each Member Unit shall be valued based upon the aggregate Net Book Value

as of the end of the preceding Natural Calendar Quarter, divided by the number of Member Units outstanding as of the end of the preceding Natural Calendar Quarter.

(e) Subject to Section 6.2(c) and (f), the Corporate Manager hereby declares its intention, subject to the requirements of the Act, to distribute Cash Available for Distribution to the Members pursuant to Section 6.2(a) on a quarterly basis in an amount approximating 80% of the Company's net book income (after taking into account all expenses for income or franchise taxes imposed directly on the Company) as determined under GAAP. Until a Listing by the Company or Corporate Manager, the record date for a distribution shall be the end of each Natural Calendar Quarter within the Company's calendar fiscal year and the payment date shall be as set forth in Section 6.7. Upon such a Listing, the Corporate Manager shall set such record dates and payment dates as may be required or are appropriate, consistent with the distribution of cash on a quarterly basis.

(f) The Members acknowledge that the Corporate Manager's estimate of quarterly book income (after taking into account all income or franchise taxes imposed on the Company) of the Company may not be precise, and consequently, recognize the right and obligation of the Corporate Manager to make an adjusting distribution annually once the Company's audited financial statements have been prepared.

(g) If the Company has insufficient Cash Available for Distribution to pay all amounts pursuant to Section 6.2(a) and Section 6.2(c), it shall pay amounts pursuant to Section 6.2(a) before paying any amounts pursuant to Section 6.2(c). The Company shall use commercially reasonable efforts to pay amounts pursuant to Section 6.2(c), but shall not be obligated to borrow funds to enable it to do so. The Company shall pay such amounts as soon as it is able to do so, subject to the prior obligation to make distributions pursuant to Section 6.2(a).

(h) If a new or existing Member acquires an additional Membership Interest in exchange for a Capital Contribution on any date other than the record date for a Company distribution (the "Company Record Date"), the cash distribution attributable to such additional Membership Interest relating to the Company Record Date next following the issuance of such additional Membership Interest shall be reduced in the proportion to (i) the number of days that such additional Membership Interest is treated as not held by such Member bears to (ii) the number of days between such Company Record Date and the immediately preceding Company Record Date.

(i) In no event may a Member receive a distribution of cash with respect to a Member Unit if such Member is entitled to receive a cash dividend as the holder of record of a Corporate Share for which all or part of such Member Unit has been or will be redeemed.

(j) Notwithstanding anything contained herein to the contrary, the Corporate Manager is hereby authorized to distribute or otherwise transfer to Holdco and the Members that are its members, as and when it deems appropriate, in one or more distributions, all of the Company's membership interests in DATC; provided that proportionately equivalent value is distributed in cash to all Members other than Holdco and its members.

Section 6.3 No Right to Distributions in Kind.

No Member shall be entitled to demand property other than cash in connection with any distributions by the Company. No Member shall be entitled to withdraw from the Company in accordance with Section 183.0802(3) (a) of the Act, and except as provided in Section 6.2(c), no Member shall be entitled to obtain the return of any part of its Capital Contribution in the Company.

Section 6.4 Limitations on Distributions.

Notwithstanding any of the provisions of this Article VI, no Member shall have the right to receive from the Company, and the Company shall not have the right to make, a distribution to any Member, if after giving effect to the distribution, any of the following would occur:

(a) The Company would be unable to pay its debts as they become due in the usual course of business; or

(b) The fair value of the Company's total assets would be less than the sum of its total liabilities plus the amount that would be needed, if the Company were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of Members, if any, whose preferential rights are superior to those of the Members receiving the distribution.

Section 6.5 Distributions Upon Liquidation.

Upon liquidation of the Company in connection with a Terminating Capital Transaction or otherwise, after payment of, or adequate provision for, debts and obligations of the Company, any remaining assets of the Company shall be distributed to the Members in the following order of priority:

(a) First, toward satisfaction of all outstanding debts and other obligations of the Company;

(b) Second, the balance, if any, to the Members with positive Capital Accounts in accordance with, and proportional to, their respective positive Capital Account balances.

For purposes of this Section 6.5, the Capital Account of each Member shall be determined after the following adjustments: (i) all adjustments made in accordance with Sections 6.1 and 6.2 resulting from Company operations and from all sales and dispositions of all or any part of the Company's assets, and (ii) allocating to the Corporate Manager an amount equal to the excess of (A) the value of the Member Units it received in exchange for Capital Contributions of the proceeds of an issuance of Corporate Shares over (B) the actual amount of its Capital Contributions (i.e., as a result of any underwriters' discount or other expenses paid or incurred in connection with such issuance). Any distributions pursuant to this Section 6.5 shall be made by the end of the Company's taxable year in which the liquidation occurs (or, if later, within 90 days after the date of the liquidation). To the extent deemed advisable by the Corporate Manager, appropriate arrangements (including the use of a liquidating trust) may be made to assure that adequate funds are available to pay any contingent debts or obligations.

The distributions set forth in this Section 6.5 are intended to comply with the requirement of Regulations Section 1.704-1(b)(2)(ii)(b)(2) that liquidating distributions be made in accordance with positive Capital Accounts. It is intended that such distributions will result in the Members receiving aggregate distributions equal to the amount of distributions that would have been received if the liquidating distributions were made pursuant to Section 6.2. However, if the balances in the Capital Accounts do not result in such intention being satisfied, items of income, gain, loss, deduction and credit will be reallocated among the Members for the fiscal year of the liquidation so as to cause the balances in the Capital Accounts to be, to the extent possible, in the amounts necessary so that such result is achieved.

Section 6.6 Substantial Economic Effect.

It is the intent of the Members that the allocations of Profit and Loss under the Agreement have substantial economic effect within the meaning of Code Section 704(b) as interpreted by the Regulations promulgated pursuant thereto. Article VI and other relevant provisions of this Agreement shall be interpreted in a manner consistent with such intent.

Section 6.7 Quarter-End Convention.

Subject to the last sentence of Section 6.2(e), for purposes of this Agreement, all distributions (other than a distribution in complete redemption of a Member's Member Interest) shall be made quarterly on the earlier of five business days following the first meeting of the Board of Directors of the Corporate Manager after the close of a Natural Calendar Quarter and the end of the first month following the close of such Natural Calendar Quarter.

ARTICLE VII

CHANGES IN CORPORATE MANAGER

Section 7.1 Transfer of the Corporate Manager's Member Interest.

(a) The Corporate Manager shall not transfer all or any portion of its Member Interest or withdraw as Corporate Manager except as provided in or in connection with a transaction contemplated by Section 7.1(b).

(b) Except as otherwise provided in Section 7.1(c) hereof, the Corporate Manager shall not engage in any merger, consolidation or other combination with or into another Person or sale of all or substantially all of its assets, in each case which results in a change of control of the Corporate Manager (a "Transaction"), unless:

(i) the consent of Non-Managing Members holding more than 50% of the Percentage Interests of the Non-Managing Members is obtained; or

(ii) as a result of such Transaction all Non-Managing Members will receive for each Member Unit an amount of cash, securities or other property equal to the product of the Conversion Factor and the greatest amount of cash, securities or other property paid in the Transaction to a holder of one Corporate Share in consideration of one Corporate Share, provided that if, in connection with the Transaction, a purchase, tender

or exchange offer ("Offer") shall have been made to and accepted by the holders of more than 50% of the outstanding Corporate Shares, each holder of Member Units shall be given the option to exchange its Member Units for the greatest amount of cash, securities or other property that a Non-Managing Member would have received had it (A) exercised its Redemption Right and (B) sold, tendered or exchanged pursuant to the Offer the Corporate Shares received upon exercise of the Redemption Right immediately prior to the expiration of the Offer; or

(iii) the Corporate Manager is the surviving entity in the Transaction and either (A) the holders of Corporate Shares do not receive cash, securities or other property in the Transaction or (B) all Non-Managing Members (other than the Corporate Manager or any subsidiary) receive an amount of cash, securities or other property (expressed as an amount per Corporate Share) that is no less than the product of the Conversion Factor and the greatest amount of cash, securities or other property (expressed as an amount per Corporate Share) received in the Transaction by any holder of Corporate Shares.

(c) Notwithstanding Section 7.1(b), the Corporate Manager may merge with or into or consolidate with another entity if immediately after such merger or consolidation (i) substantially all of the assets of the successor or surviving entity (the "Survivor"), other than Member Units held by the Corporate Manager, are contributed, directly or indirectly, to the Company as a Capital Contribution in exchange for Member Units with a fair market value equal to the value of the assets so contributed as determined by the Survivor in good faith and (ii) the Survivor expressly agrees to assume all obligations of the Corporate Manager hereunder. Upon such contribution and assumption, the Survivor shall have the right and duty to amend this Agreement as set forth in this Section 7.1(c). The Survivor shall in good faith arrive at a new method for the calculation of the Cash Amount, the Corporate Shares Amount and Conversion Factor for a Member Unit after any such merger or consolidation so as to approximate the existing method for such calculation as closely as reasonably possible. Such calculation shall take into account, among other things, the kind and amount of securities, cash and other property that was receivable upon such merger or consolidation by a holder of Corporate Shares or options, warrants or other rights relating thereto, and to which a holder of Member Units could have acquired had such Member Units been exchanged immediately prior to such merger or consolidation. Such amendment to this Agreement shall provide for adjustment to such method of calculation, which shall be as nearly equivalent as may be practicable to the adjustments provided for with respect to the Conversion Factor. The Survivor also shall in good faith modify the definition of Corporate Shares and make such amendments to Section 8.4 hereof so as to approximate the existing rights and obligations set forth in Section 8.4 as closely as reasonably possible. The above provisions of this Section 7.1 shall similarly apply to successive mergers or consolidations permitted hereunder.

In respect of any transaction described in the preceding paragraph, the Corporate Manager is required to use its commercially reasonable efforts to structure such transaction to avoid causing the Non-Managing Members to recognize income or gain for federal income tax purposes by virtue of the occurrence of or their participation in such transaction, provided such efforts are consistent with the exercise of the board of the Corporate Manager's fiduciary duties to the shareholders of the Corporate Manager under applicable law.

(d) Notwithstanding Section 7.1(b), a Corporate Manager may transfer all or any portion of its Member Interest to (A) a wholly-owned subsidiary of such Corporate Manager or (B) the owners of all of the ownership interests of such Corporate Manager and following a transfer of all of its Member Interest, may withdraw as Corporate Manager.

Section 7.2 Admission of a Substitute or Additional Corporate Manager.

A Person shall be admitted as a substitute or additional Corporate Manager of the Company only if the following terms and conditions are satisfied:

(a) the Person to be admitted as a substitute or additional Corporate Manager shall have accepted and agreed to be bound by all the terms and provisions of this Agreement by executing a counterpart thereof and such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a Corporate Manager and all other actions required by this Agreement in connection with such admission shall have been performed; and

(b) if the Person to be admitted as a substitute or additional Corporate Manager is an entity, it shall have provided the Company with evidence satisfactory to counsel for the Company of such Person's authority to become a Corporate Manager and to be bound by the terms and provisions of this Agreement.

Section 7.3 Effect of Bankruptcy, Withdrawal or Liquidation of the Corporate Manager.

(a) Upon the occurrence of an Event of Bankruptcy as to the Corporate Manager (and its removal pursuant to Section 7.4(a) hereof) or the withdrawal, removal or liquidation of the Corporate Manager, the Company shall be dissolved and terminated unless the Company is continued pursuant to Section 7.3(b) hereof. The merger of the Corporate Manager with or into any entity that is admitted as a substitute or successor Corporate Manager pursuant to Section 7.2 hereof shall not be deemed to be the withdrawal, liquidation or removal of the Corporate Manager.

(b) Following the occurrence of an Event of Bankruptcy as to the Corporate Manager (and its removal pursuant to Section 7.4(a) hereof) or the withdrawal, removal or liquidation of the Corporate Manager, the Non-Managing Members, within 90 days after such occurrence, may elect to continue the business of the Company by selecting, subject to Section 7.2 hereof and any other provisions of this Agreement, a substitute Corporate Manager by the vote of a Majority in Interest of the Non-Managing Members. If the Non-Managing Members elect to continue the business of the Company and admit a substitute Corporate Manager, the relationship with the Members and of any Person who has acquired an interest of a Member in the Company shall be governed by this Agreement.

Section 7.4 Removal of a Corporate Manager.

(a) Except upon the consent of each Voting Member, the Non-Managing Members may not remove the Corporate Manager, with or without cause. Upon the occurrence of an Event of Bankruptcy as to the Corporate Manager, the Corporate Manager shall be deemed to be removed automatically.

(b) If a Corporate Manager has been removed pursuant to this Section 7.4 and the Company is continued pursuant to Section 7.3 hereof, such Corporate Manager shall promptly transfer and assign its Member Interest in the Company to the substitute Corporate Manager approved by a Majority in Interest of the Non-Managing Members in accordance with Section 7.3(b) hereof and otherwise admitted to the Company in accordance with Section 7.2 hereof. At the time of assignment, the removed Corporate Manager shall be entitled to receive from the substitute Corporate Manager the fair market value of the Member Interest of such removed Corporate Manager as reduced by any damages caused to the Company by such Corporate Manager. Such fair market value shall be determined by an appraiser mutually agreed upon by the Corporate Manager and a Majority in Interest of the Non-Managing Members within 10 days following the removal of the Corporate Manager. In the event that the parties are unable to agree upon an appraiser, the removed Corporate Manager and a Majority in Interest of the Non-Managing Members each shall select an appraiser. Each such appraiser shall complete an appraisal of the fair market value of the removed Corporate Manager's Member Interest within 30 days of the Corporate Manager's removal, and the fair market value of the removed Corporate Manager's Member Interest shall be the average of the two appraisals; provided, however, that if the higher appraisal exceeds the lower appraisal by more than 20% of the amount of the lower appraisal, the two appraisers, no later than 40 days after the removal of the Corporate Manager, shall select a third appraiser who shall complete an appraisal of the fair market value of the removed Corporate Manager's Member Interest no later than 60 days after the removal of the Corporate Manager. In such case, the fair market value of the removed Corporate Manager's Member Interest shall be the average of the two appraisals closest in value.

(c) The Member Interest of a removed Corporate Manager, during the time after bankruptcy until transfer under Section 7.4(b), shall be converted to that of a special Non-Managing Member; provided, however, such removed Corporate Manager shall not have any rights to participate in the management and affairs of the Company, and shall not be entitled to any portion of the income, expense, profit, gain or loss allocations or cash distributions allocable or payable, as the case may be, to the Non-Managing Members. Instead, such removed Corporate Manager shall receive and be entitled only to retain distributions or allocations of such items that it would have been entitled to receive in its capacity as Corporate Manager, until the transfer is effective pursuant to Section 7.4(b).

(d) All Members shall have given and hereby do give such consents, shall take such actions and shall execute such documents as shall be legally necessary and sufficient to effect all the foregoing provisions of this Section.

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF THE NON-MANAGING MEMBERS

Section 8.1 Management of the Company.

Except to the extent provided in Section 10.1, the Non-Managing Members shall not participate in the management or control of Company business nor shall they transact any business for the Company, nor shall they have the power to sign for or bind the Company, such powers being vested solely and exclusively in the Corporate Manager.

Section 8.2 Power of Attorney.

Each Non-Managing Member hereby irrevocably appoints the Corporate Manager its true and lawful attorney-in-fact, who may act for each such Member and in its name, place and stead, and for its use and benefit, to sign, acknowledge, swear to, deliver, file or record, at the appropriate public offices, any and all documents, certificates and instruments as may be deemed necessary or desirable by the Corporate Manager to carry out fully the provisions of this Agreement and the Act in accordance with their terms, which power of attorney is coupled with an interest and shall survive the death, dissolution or legal incapacity of the Non-Managing Member, or the transfer by such Member of any part or all of its Member Interest.

Section 8.3 Limitation on Liability of Non-Managing Members.

No Non-Managing Member shall be liable for any debts, liabilities, contracts or obligations of the Company. After its Capital Contribution is fully paid, no Non-Managing Member shall, except as otherwise required by the Act, be required to make any further Capital Contributions or other payments or lend any funds to the Company.

Section 8.4 Redemption Right.

(a) Subject to Sections 8.4(b), 8.4(d), and 8.4(g), each Non-Managing Member shall have the right (the "Redemption Right"), to require the Company to redeem on a Specified Redemption Date all or a portion of the Member Units held by such Non-Managing Member at a redemption price equal to and in the form of the Cash Amount to be paid by the Company, provided that such Member Units shall have been outstanding for at least twelve months immediately prior to such Specified Redemption Date. The Redemption Right shall be exercised pursuant to a Notice of Redemption delivered to the Company (with a copy to the Corporate Manager) by the Non-Managing Member who is exercising the Redemption Right (the "Redeeming Member"); provided, however, that the Company shall not be obligated to satisfy such Redemption Right if the Corporate Manager elects to purchase the Member Units subject to the Notice of Redemption; and provided, further, that no Non-Managing Member may deliver more than two Notices of Redemption during each calendar year. A Non-Managing Member may not exercise the Redemption Right for less than 5,000 Member Units or, if such Non-Managing Members holds less than 5,000 Member Units, all of the Member Units held by such Member. The Redeeming Member shall have no right, with respect to any Member Units so redeemed, to receive any distribution paid with respect to Member Units if the record date for such distribution is on or after the Specified Redemption Date.

(b) Notwithstanding the provisions of Section 8.4(a), a Non-Managing Member that exercises the Redemption Right shall be deemed to have offered to sell the Member Units described in the Notice of Redemption to the Corporate Manager, and the Corporate Manager may, in its sole and absolute discretion, elect to purchase directly and acquire such Member Units by paying to the Redeeming Member either the Cash Amount or the Corporate Shares Amount, as elected by the Corporate Manager (in its sole and absolute discretion), on the Specified Redemption Date, whereupon the Corporate Manager shall acquire the Member Units offered for redemption by the Redeeming Member and shall be treated for all purposes of this Agreement as the owner of such Member Units. If the Corporate Manager shall elect to exercise

its right to purchase Member Units under this Section 8.4(b) with respect to a Notice of Redemption, it shall so notify the Redeeming Member within five Business Days after the receipt by the Corporate Manager of such Notice of Redemption.

In the event the Corporate Manager shall exercise its right to purchase Member Units with respect to the exercise of a Redemption Right in the manner described in the first sentence of this Section 8.4(b), the Company shall have no obligation to pay any amount to the Redeeming Member with respect to such Redeeming Member's exercise of such Redemption Right, and each of the Redeeming Member, the Company and the Corporate Manager shall treat the transaction between the Corporate Manager and the Redeeming Member for federal income tax purposes as a sale of the Redeeming Member's Units to the Corporate Manager. Each Redeeming Member agrees to execute such documents as the Corporate Manager may reasonably require in connection with the issuance of Corporate Shares upon exercise of the Redemption Right.

In the event the Corporate Manager elects to exercise its right to purchase Member Units of a Person that is a Tax-Exempt Member as of the date of this Agreement, by issuing the Corporate Shares Amount to such Redeeming Member as provided in this Section 8.4(b), then such Redeeming Member shall have the right (the "Put Right") to require Holdco to purchase all or a portion of the Member Units held by such Redeeming Member at a redemption price equal to and in the form of the Cash Amount to be paid by Holdco on a Specified Redemption Date no later than 60 days following the exercise of the Put Right by the Redeeming Member; provided, however, that Holdco shall not be obligated to purchase more than seven per cent of the outstanding Member Units in any twelve-month period, absent the unanimous consent of Holdco's members. The Redeeming Member shall exercise the Put Right by notifying the Corporate Manager and Holdco within fifteen Business Days of receipt of the notice from the Corporate Manager of its election to purchase the Member Units by issuing the Corporate Shares Amount.

If a Tax-Exempt Member exercises its Put Right pursuant to the preceding paragraph, the Corporate Manager shall advise all the Tax-Exempt Members of the proposed exercise, and specify that any other Tax-Exempt Member that desires to exercise its Put Right at that time notify the Corporate Manager within 15 Business Days following the receipt of such notice. If at the end of such 15-Business Day period, less than seven per cent of the outstanding Member Units are the subject of a Put Right, the Corporate Manager shall facilitate the purchase by Holdco of the Member Units in accordance with the previous paragraph. If more than seven per cent of the outstanding Member Units are the subject of a Put Right at the end of such 15-Business Day period, the Corporate Manager shall inquire of Holdco if it is willing to waive the seven per cent cap, and if so, to what extent. If the waiver is sufficient to permit the purchase of all Member Units subject to a Put Right, the Corporate Manger shall facilitate the purchase by Holdco of the Member Units in accordance with the previous paragraph. If there are more Member Units subject to the Put Right than Holdco is obligated or willing to purchase (because more than seven percent of the Member Units are subject to a Put Right, or because there are more Member Units than Holdco is willing to purchase above that amount), then Holdco shall acquire from each Tax-Exempt Member that indicated an intention to exercise its Put Right that number of Member Units determined by multiplying the number of such Tax-Exempt Member's Member Units that are subject to a Put Right by a fraction, the numerator of which is the number

of Member Units that Holdco is obligated or willing to purchase, and the denominator of which is the aggregate number of Member Units as to which Put Rights were requested. Member Units that are not redeemed in accordance with the preceding sentence shall be retained by the applicable Tax-Exempt Member until such Tax-Exempt Member determines to transfer or dispose of such Member Units, including by exercise of its Redemption Right with respect to such Member Units (and Put Right, if applicable).

(c) Each Redeeming Member covenants and agrees that all Member Units (or Corporate Shares pursuant to Section 8.4(i) hereof) tendered for redemption pursuant to this Section 8.4 will be delivered to the Company, the Corporate Manager or Holdco, as the case may be, free and clear of all liens, claims, and encumbrances whatsoever, and should any such liens, claims or encumbrances exist or arise with respect to such Member Units (or Corporate Shares pursuant to Section 8.4(i) hereof), none of the Company, the Corporate Manger or Holdco shall be under any obligation to acquire such Member Units pursuant to Section 8.4(a) or Section 8.4(b) hereof or Corporate Shares pursuant to Section 8.4(i) hereof.

(d) Any Cash Amount to be paid to a Redeeming Member pursuant to this Section 8.4 shall be paid on the Specified Redemption Date; provided, however, that the Corporate Manager may elect to cause the Specified Redemption Date to be delayed for up to an additional 180 days to the extent required for the Corporate Manager to cause additional Corporate Shares to be issued to provide financing to be used to make such payment of the Cash Amount and may also delay such Specified Redemption Date to the extent necessary to effect compliance with applicable requirements of law. Notwithstanding the foregoing, the Corporate Manager agrees to use its best efforts to cause the closing of the acquisition of redeemed Member Units (and Corporate Shares pursuant to Section 8.4(i)) hereunder to occur as quickly as reasonably possible.

(e) Notwithstanding any other provision of this Agreement, the Corporate Manager is authorized to take any action that it determines to be necessary or appropriate to cause the Corporate Manager and the Company to comply with any withholding requirements established under the Code or any other federal, state, local or foreign law that apply upon a Redeeming Member's exercise of the Redemption Right.

(f) Notwithstanding any other provision of this Agreement, the Corporate Manager may place appropriate restrictions on the ability of the Members to exercise their Redemption Rights as and if deemed necessary or reasonable to ensure that the Company does not constitute a "publicly traded partnership" under Section 7704 of the Code. If and when the Corporate Manager determines that imposing such restrictions is necessary, the Corporate Manager shall give prompt written notice thereof to each Member, which notice shall be accompanied by a copy of an opinion of counsel to the Company that states that, in the opinion of such counsel, restrictions are necessary or reasonable in order to avoid the Company being treated as a "publicly traded partnership" under Section 7704 of the Code.

(g) The exercise by Members of their Redemption Rights shall be subject to the provisions of Section 9.2(b). The rights provided by this Section 8.4 shall be in lieu of any rights provided to the Members under Wisconsin Statutes § 196.485(3m)(c)4.

(h) Notwithstanding any other provision of this Agreement, a Redeeming Member may expressly condition the effectiveness of any exercise of its Redemption Right, if such exercise will result in the issuance of Corporate Shares rather than the payment of cash, upon such Corporate Shares being included in a Registration Statement declared effective under the Securities Act and sold in an offering pursuant to that Registration Statement. If such Corporate Shares are not permitted to be included in a Registration Statement or are not sold in connection with a registered offering, the exercise of the Redemption Right shall be of no force or effect. If the Shares are not sold because they were withdrawn from a proposed offering as permitted by the third paragraph of Section 8.5(c), the Redeeming Member shall not be permitted to deliver another Notice of Redemption for one year from the withdrawal of the Member Units. The Corporate Manager and the Company shall cooperate with the Redeeming Member and any underwriter to facilitate the timely issuance of any Corporate Shares in any such registered offering.

(i) If a Non-Managing Member is to receive a Cash Amount for all or a portion of its Member Units hereunder, whether from the Company, the Corporate Manager or Holdco, it shall be obligated to tender a like percentage of any Corporate Shares held by it to the Corporate Manager (or Holdco, if the Cash Amount is paid pursuant to the third paragraph of Section 8.4(b)), which shall redeem or purchase each such Corporate Share for an amount equal to the Cash Amount for one Member Unit; provided that if the Corporate Manager is engaged in any activity outside of its ownership or management of the Company (other than pursuant to a management services or overhead sharing agreement with the manager of Holdco), the Non-Managing Member or purchaser may request that the redemption amount for the Corporate Shares be determined in accordance with the definition of Value. Such Non-Managing Member shall deliver to the Corporate Manager or Holdco, as applicable, any certificates evidencing its Corporate Shares, together with appropriate instruments of transfer.

Section 8.5 Registration.

(a) *Shelf Registration Statement.* Upon the written request by Non-Managing Members holding Member Units with respect to which an aggregate of at least 1,000,000 Corporate Shares may be issued upon redemption pursuant to Section 8.4 ("Redemption Shares") requesting the registration of all of such Non-Managing Members' Redemption Shares pursuant to the Securities Act (a "Registration Request"), the Corporate Manager agrees to confidentially submit or file with the Commission as soon as reasonably practicable following the Corporate Manager's receipt of such Registration Request a shelf registration statement on Form S-1 or such other form under the Securities Act then available to the Corporate Manager providing for the resale of all of the Redemption Shares issuable to the Non-Managing Members participating in the Registration Request pursuant to Rule 415 from time to time (a "Shelf Registration Statement"); *provided however*, that not more than two such registrations may occur each year. Except as provided in this Section 8.5, the Corporate Manager shall use its best efforts to cause such Shelf Registration Statement to be declared effective by the Commission as soon as reasonably practicable after the initial submission or filing thereof and to keep such Shelf Registration Statement effective for a period of at least 180 days. Any Shelf Registration Statement shall provide for the resale from time to time, and pursuant to any customary method or combination of customary methods legally available (including, without limitation, an underwritten offering, a direct sale to purchasers or a sale through brokers or agents) by the holders of the Corporate Shares

covered by such Shelf Registration Statement. In connection therewith, the Corporate Manager will, within 20 days after receipt of any Registration Request, provide written notice of the Registration Request to the Non-Managing Members not a party to the Registration Request offering to them the right to include all of their Redemption Shares in the Registration Statement. Notwithstanding the foregoing, the Corporate Manager shall not be obligated to effect a registration pursuant to this Section 8.5 during the period starting with the date 45 days prior to the Corporate Manager's estimated date of filing of, and ending on a date 180 days following the effective date of, a registration statement pertaining to an underwritten public offering of Corporate Shares for the account of the Corporate Manager (an "IPO Registration Statement"). In addition, if, while a Registration Request is pending pursuant to this Section 8.5, the Corporate Manager has determined in good faith that (i) the filing of a registration statement could jeopardize or delay any contemplated material transaction or would require the disclosure of material information that the Corporate Manager had a bona fide business purpose for preserving as confidential; (ii) the Corporate Manager then is unable to comply with requirements of the Commission applicable to the requested registration (notwithstanding its commercially reasonable efforts to so comply) or (iii) or the Corporate Manager has not received any required state approvals despite commercially reasonable efforts to obtain the same, the Corporate Manager shall not be required to effect a registration pursuant to this Section 8.5 until the earlier of (x) the date upon which such contemplated transaction is completed or abandoned or such material information is otherwise disclosed to the public or ceases to be material or the Corporate Manager is able to so comply with applicable Commission requirements or received state approvals, as the case may be, or (y) 45 days after the Corporate Manager makes such good faith determination.

(b) *IPO Registration.* If the Corporate Manager proposes to file an IPO Registration Statement on Form S-1 or such other form under the Securities Act providing for the initial public offering of Corporate Shares for the account of the Corporate Manager, the Corporate Manager will notify in writing each Non-Managing Member of the filing within five business days after the initial filing and afford each Non-Managing Member an opportunity to include in the IPO Registration Statement all or any part of the Corporate Shares then held by such Non-Managing Member or Redemption Shares issuable to such Non-Managing Member (collectively, "Registrable Shares"). Each Non-Managing Member desiring to include in the IPO Registration Statement all or part of the Registrable Shares held by such Non-Managing Member shall, within 20 days after receipt of the above-described notice from the Corporate Manager, so notify the Corporate Manager in writing, and in such notice shall inform the Corporate Manager of the number of Registrable Shares such Non-Managing Member wishes to include in the IPO Registration Statement and, if any such Registrable Shares are Redemption Shares, shall include a Notice of Redemption in accordance with the requirements of Section 8.4. Any election by any Non-Managing Member to include any Registrable Shares in the IPO Registration Statement will (A) be binding upon such Non-Managing Member thereafter except that a Non-Managing Member may withdraw such Non-Managing Member's Registrable Shares from inclusion in the IPO Registration Statement in accordance with the provisions in the third paragraph of Section 8.5(g) hereof and (B) not affect the inclusion of such Registrable Shares in the Shelf Registration Statement until such Registrable Shares have been sold under the IPO Registration Statement.

The Corporate Manager shall have the right to terminate or withdraw the IPO Registration Statement initiated by it and referred to in this Section 8.5(b) whether or not any Non-Managing

Member has elected to include Registrable Shares in such registration; *provided, however*, the Corporate Manager must provide each Non-Managing Member that elected to include any Registrable Shares in such IPO Registration Statement prompt written notice of such termination or withdrawal. Furthermore, in the event the IPO Registration Statement is not declared effective within 120 days following the initial filing of the IPO Registration Statement, unless a road show for the initial public offering pursuant to the IPO Registration Statement is actually in progress at such time, the Corporate Manager shall promptly provide a new written notice to all Non-Managing Members giving them another opportunity to elect to include Registrable Shares in the pending IPO Registration Statement. Each Non-Managing Member receiving such notice shall have the same election rights afforded such Non-Managing Member as described in Section 8.5(b) above.

(c) *Underwriting*. The Corporate Manager shall advise all Non-Managing Members of the lead managing underwriter(s) for the underwritten offering proposed under the IPO Registration Statement or a Shelf Registration Statement. The right of any such Non-Managing Member to include its Registrable Shares in the IPO Registration Statement pursuant to Section 8.5(b) or in an underwritten public offering under a Shelf Registration Statement shall be conditioned upon such Non-Managing Member's participation in such underwriting and the inclusion of such Non-Managing Member's Registrable Shares in the underwriting to the extent provided herein. All Non-Managing Members proposing to distribute their Registrable Shares through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter(s) selected for such underwriting and complete and execute any questionnaires, powers of attorney, indemnities, custody agreements, securities escrow agreements and other documents, including opinions of counsel, reasonably required under the terms of such underwriting, and furnish to the Corporate Manager such information regarding such Non-Managing Member, the Corporate Shares it proposes to sell and the manner of sale, as the Corporate Manager may reasonably request in writing for inclusion in the IPO Registration Statement relating to such initial public offering or in the Shelf Registration Statement and prospectus or prospectus supplement in any underwritten public offering under the Shelf Registration Statement; *provided, however*, that no Non-Managing Member shall be required to make any representations or warranties to or agreements with the Corporate Manager or the underwriters other than representations, warranties or agreements (1) regarding such Non-Managing Member, its ownership of Corporate Shares and Member Units, and such Non-Managing Member's intended method of distribution, (2) required by law or (3) reasonably requested by the underwriters. In connection with any underwritten public offering under the IPO Registration Statement or Shelf Registration Statement, the Corporate Manager shall use its best efforts to comply with all applicable laws, rules and regulations and shall enter into and perform an underwriting agreement with the managing underwriter containing representations, warranties, indemnities, holdbacks and other terms and conditions, and shall deliver or arrange delivery of opinions of counsel, accountant's consents and comfort letters, and other deliverables, all as are customary for underwritten public offerings. Notwithstanding any other provision of this Agreement, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation on the number of shares to be included in the offering, then the managing underwriter(s) may exclude shares (including Registrable Shares) from the IPO Registration Statement and initial public offering or from any underwritten public offering under a Shelf Registration Statement. Any shares included in the IPO Registration Statement or Shelf

Registration Statement shall be allocated *first*, to the Corporate Manager, and *second*, to each of the Non-Managing Members requesting inclusion of their Registrable Shares in such IPO Registration Statement or Shelf Registration Statement (on a *pro rata* basis based on the total number of Registrable Shares then held by each such Non-Managing Member who is requesting inclusion).

Each holder of Registrable Shares shall be subject to, and each will be released on an equal basis from, customary lock-ups in connection with any underwritten offerings (180 days, in the case of the IPO Registration Statement, and 90 days, in the case of any Shelf Registration Statement), except to the extent the underwriter(s) agree to a shorter lock-up period. In addition, the Corporate Manager shall use commercially reasonable efforts to obtain similar lock-up agreements from its directors, executive officers and Persons holding five percent or more of the outstanding Corporate Shares, if so requested by the underwriters(s).

If any Non-Managing Member disapproves of the terms of any such underwriting, such Non-Managing Member may elect to withdraw therefrom by written notice to the Corporate Manager and the managing underwriter(s), delivered by the later of (i) two Business Days after the Listing price range is communicated by the Corporate Manager to such Non-Managing Member and (ii) ten Business Days prior to the effective date of the IPO Registration Statement. Any Registrable Shares excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(d) *JOBS ACT Submissions.* For purposes of this Agreement, if the Corporate Manager is eligible, and elects, to confidentially submit a draft of a Shelf Registration Statement with the Commission pursuant to the JOBS Act, the initial confidential submission of the draft Shelf Registration Statement with the Commission shall be deemed to be a filing with the Commission for purposes of this Section 8.5.

(e) *Listing on Securities Exchange.* If the Corporate Manager shall list or maintain the listing of any Corporate Shares on any securities exchange or national market system, it will at its expense and as necessary to permit the registration and sale of the Registrable Shares hereunder, list thereon, maintain and, when necessary, increase such listing to include such Registrable Shares.

(f) *Registration Not Required.* Notwithstanding the foregoing, the Corporate Manager shall not be required to file or maintain the effectiveness of a registration statement relating to Registrable Shares after the first date upon which, in the opinion of counsel to the Corporate Manager, all of the Registrable Shares covered thereby could be sold by the holders thereof in any period of three months pursuant to Rule 144 under the Securities Act, or any successor rule thereto.

(g) *Allocation of Expenses.* The Corporate Manager shall pay all expenses in connection with the registration of the Non-Managing Members' Registrable Shares, including without limitation (i) all expenses incident to filing with FINRA, (ii) registration fees, (iii) printing expenses, (iv) accounting and legal fees and expenses, except to the extent holders of Registrable Shares elect to engage accountants or attorneys in addition to the accountants and attorneys engaged by the Corporate Manager or the Company, (v) accounting expenses incident

to or required by any such registration or qualification and (vi) expenses of complying with the securities or blue sky laws of any jurisdictions in connection with such registration or qualification; *provided, however*, the Corporate Manager and the Company shall not be liable for (A) any discounts or commissions to any underwriter or broker attributable to the sale of Registrable Shares, (B) the fees and expenses of counsel to the Non-Managing Members or (C) any fees or expenses incurred by holders of Registrable Shares in connection with such registration that, according to the written instructions of any regulatory authority, the Corporate Manager or the Company is not permitted to pay. Each Non-Managing Member participating in a registration pursuant to this Section 8.5 shall bear such Non-Managing Member's proportionate share (based on the total number of Registrable Shares sold in such registration) of all discounts and commissions payable to underwriters or brokers and all transfer taxes and transfer fees in connection with a registration of Registrable Shares pursuant to this Agreement.

(h) It shall be a condition precedent to the obligations of the Corporate Manager to take any action pursuant to this Section 8.5 that the Non-Managing Members proposing to sell Corporate Shares shall furnish to the Corporate Manager such information regarding them, the Corporate Shares held by them, and the intended method of disposition of such securities and such other matters as may be required by the Securities Act and other applicable laws and regulations as the Corporate Manager shall request and as shall be required in connection with the action to be taken by the Corporate Manager.

(i) *Indemnification.*

(i) In connection with the Registration Statement, the Corporate Manager and the Company agree to indemnify holders (and each Person who controls such holder within the meaning of Section 15 of the Securities Act) of Registrable Shares against all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) caused by any untrue, or alleged untrue, statement of a material fact contained in the Registration Statement, preliminary prospectus or prospectus (as amended or supplemented if the Corporate Manager shall have furnished any amendments or supplements thereto) or caused by any omission or alleged omission, to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages, liabilities or expenses are caused by any untrue statement, alleged untrue statement, omission, or alleged omission based upon information furnished to the Corporate Manager by any holder of Registrable Shares covered by the Registration Statement expressly for use therein. The Corporate Manager and each officer, director and controlling person of the Corporate Manager shall be indemnified by a holder of Registrable Shares covered by the Registration Statement for all such losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) caused by any untrue, or alleged untrue, statement or any such omission, or alleged omission, based upon information furnished to the Corporate Manager expressly for use therein in a writing signed by such holder.

(ii) Promptly upon receipt by a party indemnified under this Section 8.5(i) of notice of the commencement of any action against such indemnified party in respect of which indemnity or reimbursement may be sought against any indemnifying party under

this Section 8.5(i), such indemnified party shall notify the Corporate Manager in writing of the commencement of such action, but the failure to so notify the Corporate Manager shall not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 8.5(i) unless such failure shall materially adversely affect the defense of such action. In case notice of commencement of any such action shall be given to the Corporate Manager as above provided, the Corporate Manager shall be entitled to participate in and, to the extent it may wish, jointly with any other indemnifying party similarly notified, to assume the defense of such action at its own expense, with counsel chosen by it and reasonably satisfactory to such indemnified party. The indemnified party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel (other than reasonable costs of investigation) shall be paid by the indemnified party unless (i) the Corporate Manager or the Company agrees to pay the same, (ii) the Corporate Manager fails to assume the defense of such action with counsel reasonably satisfactory to the indemnified party or (iii) the named parties to any such action (including any impleaded parties) have been advised by such counsel that representation of such indemnified party and the Corporate Manager by the same counsel would be inappropriate under applicable standards of professional conduct (in which case the Corporate Manager shall not have the right to assume the defense of such action on behalf of such indemnified party). No indemnifying party shall be liable for any settlement entered into without its consent.

(j) *Contribution.*

(i) If for any reason the indemnification provisions contemplated by Section 8.5(i) are either unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities referred to therein, then the party that would otherwise be required to provide indemnification or the indemnifying party (in either case, for purposes of this Section 8.5(j), the "Indemnifying Party") in respect of such losses, claims, damages or liabilities, shall contribute to the amount paid or payable by the party that would otherwise be entitled to indemnification or the indemnified party (in either case, for purposes of this Section 8.5(j), the "Indemnified Party") as a result of such losses, claims, damages, liabilities or expense, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the Indemnified Party, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact related to information supplied by the Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party. In no event shall any holder of Redemption Shares covered by the Registration Statement be required to contribute an amount greater than the dollar amount of the proceeds received by such holder from the sale of Redemption Shares pursuant to the registration giving rise to the liability.

(ii) The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 8.5(j) were determined by pro rata allocation (even if the holders or any underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. No person or entity determined to have committed a fraudulent misrepresentation (within the meaning of §11(f) of the Securities Act) shall be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(iii) The contribution provided for in this Section 8.5(j) shall survive the termination of this Agreement and shall remain in full force and effect regardless of any investigation made by or on behalf of any Indemnified Party.

ARTICLE IX

TRANSFER

Section 9.1 Purchase Not for Distribution.

(a) Each Member hereby represents and warrants to the Company that the acquisition of its Member Interest is made as a principal for its account and not with a view to the resale or distribution of such Member Interest.

(b) Each Member agrees that it will not sell, assign or otherwise transfer its Member Interest or any fraction thereof, whether voluntarily or by operation of law or at judicial sale or otherwise, to any Person who does not make the representations and warranties to the Company set forth in Section 9.1(a) above and similarly agree not to sell, assign or transfer such Member Interest or fraction thereof to any Person who does not similarly represent, warrant and agree.

Section 9.2 Restrictions on Transfer of Member Interests.

(a) Prior to the consummation of any Transfer under this Article IX, the transferor and/or the transferee shall deliver to the Corporate Manager such opinions, certificates and other documents as the Corporate Manager shall reasonably request in connection with such Transfer.

(b) Notwithstanding any other provision of this Agreement, including the provisions of Section 8.4, no Member may effect a Transfer of its Member Interest, in whole or in part:

(i) If, in the opinion of legal counsel for the Company, such proposed Transfer would require the registration of the Member Interest under the Securities Act or would otherwise violate any applicable federal or state securities or blue sky law (including investment suitability standards);

(ii) If in the opinion of legal counsel for the Company, such Transfer would cause the Company to be regarded as a publicly-traded partnership under Code Section 7704; or

(iii) If such proposed Transfer would cause a termination of the partnership for tax purposes under Code Section 708(b)(1)(B) (because of the Transfer in any 12-month period of 50% or more of the capital and profits of the Company).

Section 9.3 Reserved.

Section 9.4 Admission of Substitute Member.

(a) Subject to the other provisions of this Article IX, an assignee of the Member Interest of a Non-Managing Member (which shall be understood to include any purchaser, transferee, donee or other recipient of any disposition of such Member Interest) shall be deemed admitted as a Member of the Company only with the consent of the Corporate Manager (which shall not be unreasonably withheld) and upon the satisfactory completion of the following:

(i) The assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart or an amendment thereof, including a revised Schedule A, and such other documents or instruments as the Corporate Manager may require in order to effect the admission of such Person as a Member.

(ii) To the extent required, an amended certificate evidencing the admission of such Person as a Member shall have been signed, acknowledged and filed for record to the extent required by the Act.

(iii) The assignee shall have delivered a letter containing the representation set forth in Section 9.1(a) hereof and the agreement set forth in Section 9.1(b) hereof.

(iv) If the assignee is an entity, the assignee shall have provided the Corporate Manager with evidence satisfactory to counsel for the Company of the assignee's authority to become a Member under the terms and provisions of this Agreement.

(v) The assignee shall have executed a power of attorney containing the terms and provisions set forth in Section 8.2 hereof.

(vi) The assignee shall have paid all legal fees and other expenses of the Company and the Corporate Manager and filing and publication costs, if any, in connection with its substitution as a Member.

Notwithstanding the foregoing, a Member that acquires the Membership Interests of another Member shall be deemed to be automatically admitted as a Member with respect to such acquired Member Interests, and the acquiring Member shall be deemed to have made all representations and covenants on account of such acquired Member Interests, without further action on the part of the acquiring Member or Corporate Manager.

(b) For the purpose of allocating Profits and Losses and distributing cash received by the Company, a Substitute Member shall be treated as having become, and appearing in the records of the Company as, a Member at the end of the month in which the filing of the certificate described in Section 9.4(a)(ii) hereof occur or if no such filing is required, the end of

the month in which occurs the later of the date specified in the transfer documents or the date on which the Corporate Manager has received all necessary instruments of transfer and substitution.

(c) The Corporate Manager shall cooperate with the Person seeking to become a Substitute Member by preparing the documentation required by this Section and making all official filings and publications. The Company shall take all such action as promptly as practicable after the satisfaction of the conditions in this Article IX to the admission of such Person as a Member of the Company.

Section 9.5 Rights of Assignees of Members Interests.

(a) Subject to the provisions of Section 9.2 hereof, except as required by operation of law, the Company shall not be obligated for any purposes whatsoever to recognize the assignment by any Member of its Member Interest until the Company has received notice thereof.

(b) Any Person who is the assignee of all or any portion of a Member Interest, but does not become a Substitute Member and desires to make a further assignment of such Member Interest, shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Member desiring to make an assignment of its Member Interest.

Section 9.6 Effect of Bankruptcy or Termination of a Non-Managing Member.

The occurrence of an Event of Bankruptcy as to a Non-Managing Member or the dissolution or termination of a Non-Managing Member shall not cause the termination or dissolution of the Company, and the business of the Company shall continue. The trustee or receiver of a bankrupt Non-Managing Member, or its representative shall have the rights of such Member for the purpose of settling or managing its property and such power as the bankrupt, dissolved or terminated Member possessed to assign all or any part of its Member Interest and to join with the assignee in satisfying conditions precedent to the admission of the assignee as a Substitute Member.

Section 9.7 Month-End Convention.

For purposes of this Agreement, all transfers of Member Interests shall be deemed to take place at the end of the month in which the transfer actually occurs.

ARTICLE X

AMENDMENTS; VOTING

Section 10.1 Amendments.

This Agreement may be amended by the affirmative vote of a Majority in Interest of the Non-Managing Members; provided, that if any proposed amendment pursuant to Sections 10(a), (b), (c) or (d) below would accord different treatment to (i) Members that are not Holdco than (ii) Holdco (other than based on their respective Percentage Interests), the consent of Holdco and a

majority of Non-Managing Members that are not Holdco (by Percentage Interest) will be required:

(a) Any amendment to modify the provisions of Sections 2.7, 3.4 or 3.6;

(b) any amendment to modify the provisions of Article VI relating to the allocation of Profits and Losses and the distribution of cash to Members, except in accordance with Section 3.7; provided, however, the dividend rate shall be subject to adjustment by a majority vote of the board of directors of the Corporate Manager;

(c) any amendment that would impose on the Members any obligation to make additional Capital Contributions to the Company; or

(d) any amendment to this Section 10.1.

Section 10.2 Amendments Requiring Consent of Voting Members.

(a) Notwithstanding Section 10.1, except to the extent that PLR-104930-07 has been amended or supplemented in any enforceable manner as described in Section 11.8(b), any amendment to Section 6.1(a), 6.2(a), 6.2(g) or to the definition of Excess Tax Expense Recovery Income, Partially Taxable Member, Member's Tax Expense Recovery Income Distributable Amount, Taxable Member, Tax-Exempt Member, or Tax Expense Recovery Income shall require the consent of each of the Voting Members.

(b) Any amendment to the provisions of Sections 2.3, 2.5, 5.6, 7.4(a), 8.4(b) or this Section 10.2, or to the definitions of "Merchant Transmission Project," "Transmission Area," "Value" and "Voting Members" shall require the consent of each of the Voting Members.

Section 10.3 Limitations on Voting.

(a) Notwithstanding any other provision hereof (except as provided in Section 10.3(b) below), other than Fundamental Matters, a Dominant Member shall not be entitled independently to vote, or consent with respect to, in excess of a Percentage Interest of 34.07%. The remaining Member Units held by a Dominant Member shall be voted, or consented with respect to, in proportion to the way in which the other Members who are not affiliated with a Dominant Member vote or consent their respective Member Units. In addition, a Dominant Member shall not be permitted to use its voting power in the Company to initiate a Fundamental Matter, or otherwise seek or propose to amend the governing documents of the Company or any of its subsidiaries to provide voting or consent rights with respect to a matter that does not, as of January 14, 2015, require a vote or consent of the Members.

(b) Notwithstanding the foregoing, the voting limitation on a Dominant Member set forth in Section 10.3(a) above shall not operate or be applied in a manner that would provide another Member (or affiliated group of Members) with voting power in excess of the voting power of a Dominant Member. To the extent that the limitation set forth in the preceding sentence shall apply, the Member Units that would have been voted in excess of such voting power shall be voted, or consented with respect to, by such Dominant Member in proportion to the way in which the other Members vote, or consent with respect to, their respective Member

Units. For the avoidance of doubt (1) all Member Units shall be voted and (2) the reference to "other Members" in the preceding sentence shall exclude (i) any Members affiliated with the Dominant Member and (ii) any Member (or affiliated group of Members) that has or would have voting power in excess of the voting power of a Dominant Member. For purposes of this paragraph, the voting power of a Member shall include any Member Units voted or consented (or to be voted or consented) by a Dominant Member in the way in which such Member votes.

(c) This Section 10.3 may not be amended without the consent of Holdco.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Notices.

All notices, consents, requests, demands, offers, reports or other communications required or permitted to be given pursuant to this Agreement shall be in writing and considered properly given or made (i) upon receipt, when personally delivered to the person entitled thereto, (ii) on the third business day, when sent by certified or registered United States mail in a sealed envelope, with postage prepaid, (iii) on the next business day, when sent by overnight courier, addressed, if to the Company, at its address set forth in Section 2.1, and if to a Member, to the address set forth opposite such Member's name on Schedule A, and (iv) upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email, or other written acknowledgement, and provided that if the email or other electronic communication is sent after the normal business hours of the recipient, such email or electronic communication shall be deemed to have been sent on the next business day), when sent electronically (including email and internet or intranet websites). Any Member may change its address, telephone numbers or email by giving notice to the Corporate Manager. The Company may change its address by giving notice to each of its Members.

Section 11.2 Entire Agreement.

This Agreement embodies the entire understanding and agreement among the Members concerning the Company, and supersedes any and all prior negotiations, understandings or agreements with respect thereto.

Section 11.3 Interpretation and Construction.

The headings and captions in this Agreement are inserted for convenience and identification only and are in no way intended to define, limit or expand the scope and intent of this Agreement or any provision hereof. The references to Sections and Articles in this Agreement are to the Sections and Articles of this Agreement, except where otherwise indicated. Where the context so requires, the masculine shall include the feminine and the neuter, and singular shall include the plural.

Section 11.4 Counterparts.

(a) This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or other electronic transmission, and this Agreement as so executed shall have the same force and effect as if manually signed.

(b) This Agreement is being signed and dated December 1, 2015, but will not be effective until the First Closing Date occurs under that certain Exchange Agreement dated the date hereof by and among the parties hereto, among others, at which time it will automatically become effective. Notwithstanding the foregoing, if the First Closing Date does not occur on or before December 31, 2016, this Agreement shall be null and void, and the parties shall continue to be governed by the Original Agreement.

Section 11.5 Binding on Successors.

This Agreement and all of the terms and provisions hereof shall be binding upon, and inure to the benefit of, the Members and their respective successors and assigns.

Section 11.6 Severability.

If any provision of this Agreement or the application thereof to any Person or circumstance shall, to any extent, be held invalid or unenforceable in any jurisdiction, the validity and enforceability of the remainder of this Agreement or the application of such provision to any other Persons or circumstances shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the extent permitted by law in every jurisdiction.

Section 11.7 Rights and Remedies.

The rights and remedies provided in this Agreement are cumulative, and the use of any one right or remedy by any party shall not preclude or waive its right to the use of any or all other rights and remedies. Such rights and remedies are given to such party in addition to any other rights and remedies such party may have by law, rule, regulation or otherwise.

Section 11.8 Economic Benefit.

(a) This Agreement evidences the intent of the Members with respect to the matters covered hereby, and reflects the agreed allocation of benefits and burdens among the Members. If, as a consequence of regulatory reviews or approvals, certain changes are required, the Members agree to negotiate in good faith so as to restore, as much as practically feasible, the original allocation of benefits and burdens among the Members.

(b) In the event that the allocation of the Tax Expense Recovery Income set forth in Section 6.1(a)(i) results in an amount of Excess Tax Expense Recovery Income being allocated to one or more Members, then:

(i) The Corporate Manager shall separately account for such Excess Tax Expense Recovery Income and credit such amounts to the affected Members' Capital Accounts as non-refundable, additional paid-in capital for which no additional Member Units shall be issued. However, such separate accounting shall not involve the creation of any separate capital account for such Member that would be contrary to the requirements of Section 704(b) of the Code or the terms of PLR-104930-07. Except as provided by Section 6.5 of this Agreement, no cash distribution approved by the Corporate Manager shall include a cash distribution of any Excess Tax Expense Recovery Income separately accounted for and credited to Members' Capital Accounts, regardless of whether such amounts have been permanently invested.

(ii) If the amount of Excess Tax Expense Recovery Income allocated to Members in any given year is not substantive, then the amount of Excess Tax Expense Recovery Income credited to Members' Capital Accounts during that year shall be permanently invested as non-refundable, additional paid-in capital for which no additional Member Units shall be issued.

(iii) If at the time Corporate Manager's budget for the next full calendar year is posted to the Open Access Same-Time Information System (which occurs on or about October 1 of each year), the amount of Excess Tax Expense Recovery Income allocated to Members for the next full calendar year will be substantive, the Corporate Manager shall take all necessary and appropriate actions with the Service to obtain an amendment or supplement to PLR-104930-07 in any enforceable manner that allows (a) the allocation in future years of Tax Expense Recovery Income among the Members in amounts that are reasonably equal to each Member's federal, state, or local income taxes and franchise taxes that are included in the Corporate Manager's calculation of Tax Expense Recovery Income, and (b) a retroactive reallocation of the Excess Tax Expense Recovery Income credited to Members' Capital Accounts in that year such that the allocation of Tax Expense Recovery Income for each calendar year recovery period is consistent with the allocation defined in subsection (a).

(iv) In connection with Section 11.8(b)(iii):

(A) Should the Service amend or supplement PLR-104930-07 in any enforceable manner consistent with Section 11.8(b)(iii)(a) and (b), then all future allocations of Tax Expense Recovery Income among the Members shall be reasonably equal to each Member's federal, state, or local income taxes and franchise taxes that are included in the Corporate Manager's calculation of Tax Expense Recovery Income, and the Excess Tax Expense Recovery Income credited to Members' Capital Accounts for each calendar year recovery period shall be reallocated accordingly.

(B) Should the Service amend or supplement PLR-104930-07 in any enforceable manner consistent with Section 11.8(b)(iii)(a) but declines to amend or supplement such PLR in any enforceable manner consistent with Section 11.8(b)(iii)(b), then all future allocations of Tax Expense Recovery Income among the Members shall be reasonably equal to each Member's federal, state, or

local income taxes and franchise taxes that are included in the Corporate Manager's calculation of Tax Expense Recovery Income.

(C) Notwithstanding any provision to the contrary, unless the Service amends or supplements PLR-104930-07 in any enforceable manner consistent with Section 11.8(b)(iii)(a) and/or (b), all allocations of Tax Expense Recovery Income properly made pursuant to Section 6.1 of this Agreement shall be binding and final.

(c) Each Member agrees that the agreements set forth herein and in the other documents pertaining to the formation of the Company and the Corporate Manager reflect extensive negotiations and compromises among the Members. To that end, each Member agrees that any filings or communications by it with any regulatory authority will not contradict the positions set forth herein, in the Charter and By-laws of the Corporate Manager, and further, that any filings or communications by it with any regulatory authority will support, to the extent applicable, the positions set forth herein and in such other documents, excluding issues concerning the Company's tariff and rates. Each Member shall retain its right to take independent legal or regulatory positions regarding any other aspect of the Company, including its tariff and rates.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

ATC MANAGEMENT INC.

By: _____

Name: Michael B. Rowe

Title: President and Chief Executive Officer

ADAMS-COLUMBIA ELECTRIC COOPERATIVE

By: _____

Name: Martin A. Hillert, Jr.

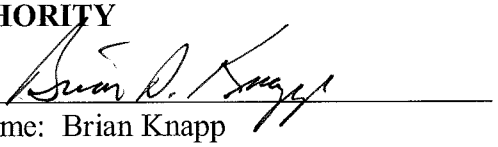
Title: CEO

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION

By: Tom Harrell

Name: Tom Harrell
Title: CEO

BADGER POWER MARKETING AUTHORITY

By: 

Name: Brian Knapp
Title: General Manager

CENTRAL WISCONSIN ELECTRIC COOPERATIVE

By: Michael L. Wade

Name: Michael L. Wade
Title: President and CEO

CITY OF ALGOMA

By: Peter Haack

Name: Peter Haack
Title: General Manager

CITY OF COLUMBUS

By:_____

Name: Eric M. Anthon

Title: Superintendent

CITY OF KAUKAUNA

By: _____

Name: Jeffery W. Feldt

Title: General Manger

[ATC LLC Operating Agreement Signature Page]

CITY OF OCONTO FALLS

By: _____

Name: James H. Kardoskee

Title: Utility Commission President

CITY OF PLYMOUTH

By: _____

Name: Brian E. Yerges

Title: City Administrator/Utilities Manager

CITY OF REEDSBURG

By: _____

Name: James Krueger

Title: Chair of the Reedsburg Utility Commission

CITY OF SHEBOYGAN FALLS

By: _____

Name: Joel Schoneman

Title: Field Supervisor

CITY OF STURGEON BAY

By: James M. Stawicki

Name: James M. Stawicki

Title: General Manager

CITY OF SUN PRAIRIE

By: _____

Name: Rick Wicklund

Title: General Manager

CITY OF WISCONSIN RAPIDS

By:_____

Name: Jem Brown

Title: General Manager

CLOVERLAND ELECTRIC COOPERATIVE

By: _____
Name: Dan Dasho
Title: President and CEO

MANITOWOC PUBLIC UTILITIES

By:_____
Name: Mark R. Seidl
Title: President

By:_____
Name: Dan Hornung
Title: Secretary

MARSHFIELD ELECTRIC AND WATER DEPARTMENT OF THE CITY OF MARSHFIELD

By: Robert J. Trussoni

Name: Robert J. Trussoni
Title: General Manager

MGE TRANSCO INVESTMENT LLC

By: _____
Name: Jeffrey C. Newman
Title: Manager

ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

By: _____

Name: Deborah Miles

Title: General Manager

ALLETE TRANSMISSION HOLDINGS, INC.
(FORMERLY RAINY RIVER ENERGY CORPORATION- WISCONSIN)

By: Deborah A. Amberg

Name: Deborah Amberg

Title: Vice President, General Counsel & Secretary

ROCK ENERGY COOPERATIVE

By: _____

Name: Shane Larson
Title: CEO

[ATC LLC Operating Agreement Signature Page]

STOUGHTON UTILITIES

By: Robert P. Kardasz

Name: Robert P. Kardasz, P.E.
Title: Stoughton Utilities Director

UPPER PENINSULA PUBLIC POWER AGENCY

By: Thomas R Carpenter
Name: Thomas R Carpenter
Title: General Manager

[ATC LLC Operating Agreement Signature Page]

ATC HOLDING LLC

By: _____
Name: Allen L. Leverett
Title: President

WISCONSIN ELECTRIC POWER COMPANY

By: _____
Name: Allen L. Leverett
Title: President

WPS INVESTMENTS, LLC
By: INTEGRYS HOLDING, INC., MANAGER

By: _____
Name: Allen L. Leverett
Title: President

WPL TRANSCO LLC

By:_____

Name: James H. Gallegos

Title: Senior Vice President, General Counsel & Secretary

WPPI ENERGY

By: _____

Name: Michael W. Peters

Title: President and CEO

SCHEDULE A

[TO BE INSERTED USING NUMBERS AS OF
MONTH-END PRIOR TO THE FIRST CLOSING DATE
UNDER THE EXCHANGE AGREEMENT]

Member	Capital Contribution	Number of Units	Percentage Interest

EXHIBIT A

NOTICE OF EXERCISE OF REDEMPTION RIGHT

In accordance with Section 8.4 of the Amended and Restated Operating Agreement, as amended to date (the "Agreement"), of American Transmission Company LLC (the "Company"), the undersigned hereby[, but subject to Section 8.4(h),] [irrevocably] (i) presents for redemption Member Units in the Company in accordance with the terms of the Agreement and the Redemption Right referred to in Section 8.4 thereof; (ii) surrenders such Member Units and all right, title and interest therein; (iii) if the Cash Amount is to be paid (either by the Company or ATC Holdco LLC), presents a proportionate number of Corporate Shares held by the undersigned (duly endorsed for transfer, or accompanied by executed stock powers) and surrenders such Corporate Shares and all right, title and interest therein; and (iv) directs that the Cash Amount or Corporate Shares Amount (as defined in the Agreement), as determined by the Corporate Manager (as defined in the Agreement), deliverable upon exercise of the Redemption Right, be delivered to the address specified below, and if Corporate Shares (as defined in the Agreement) are to be delivered, such Corporate Shares be registered or placed in the name(s) and at the address(es) specified below (subject, in the case where Corporate Shares are to be issued, to Section 8.4(b)of the Agreement).

Dated: _____, _____

Name of Member:

_____
(Signature of Member)

_____
(Mailing Address)

_____
(City) (State) (Zip Code)

_____
Signature Guaranteed by:

If Corporate Shares are to be issued, issue to: _____

Please insert social security or identifying number: _____

Name: _____

EXHIBIT B

DISPUTE RESOLUTION PROVISIONS

ARTICLE I

APPLICABILITY AND DEFINITIONS

Section 1.1 Applicability.

The dispute resolution procedures set forth herein shall be applicable, under the conditions hereinafter provided, to all disputes relating to the interpretation and application of the terms and conditions of the Transco Agreements arising between or among the Members (whether as Members or as a party to a Transco Agreement), between the Members and the Company; provided, however, that these dispute resolution procedures do not apply to any matters covered by the dispute resolution procedures of the OATT. Nothing in this Exhibit is intended to restrict or expand existing state or federal laws or regulatory authorities.

Section 1.2 Definitions.

Capitalized terms used herein and not defined herein shall have the respective meanings assigned to such terms in the Amended and Restated Operating Agreement to which these Dispute Resolution Provisions are attached. The following terms shall have the meanings set forth below:

"**Committee**" means the Alternative Dispute Resolution Committee established by the Board of Directors of the Corporate Manager in accordance with Article V to this Exhibit.

"**Corporate Manager Governing Documents**" means the Second Amended and Restated Articles of Incorporation and Fourth Amended and Restated By-laws of the Corporate Manager, as the same may be amended from time to time.

"**FPA**" means the Federal Power Act, as amended.

"**Members**" means the Members of the Company, including the Corporate Manager acting in its capacity as manager.

"**OATT**" means open access transmission tariff of the Company currently approved by FERC.

"**Transco Agreements**" means the Company Amended and Restated Operating Agreement, the Corporate Manager Governing Documents, Operations & Maintenance Agreements, Attachment Agreements, Network Operating Agreements, Generation-Transmission Interconnection Agreements, Transmission-Distribution Interconnection Agreements, Forming Party Agreement, and all Schedules, Exhibits and Appendices to such Agreements.

ARTICLE II

INFORMAL DISPUTE RESOLUTION PROCEDURES

Section 2.1 When Required.

Any dispute subject to the procedures specified in this Exhibit shall be subject first to the informal dispute resolution procedures specified herein.

Section 2.2 Procedures.

(a) The Company and each Member shall designate an employee or representative who shall be its initial contact for resolving disputes involving them as to matters governed by the Transco Agreements. Each party to such a dispute shall first raise all issues regarding the dispute with the designated representative of the other party or parties to such dispute. The designated representatives shall work together to resolve the relevant issues in a manner that meets the interests of such parties, or until the issues are referred to the designated officers of the parties as set forth in Section 2.2(b).

(b) The Company and each Member shall designate a representative who shall review disputes subject to this Exhibit that its designated representatives are unable to resolve. In the case of the Company, this officer shall be designated by the Board of Directors of the Corporate Manager. The applicable officers of the parties involved in such dispute shall work together to resolve the disputes so referred in a manner that meets the interests of such parties, either until such resolution is reached, or until an impasse is declared by any party to such dispute.

ARTICLE III

MEDIATION

Section 3.1 When Available.

If the parties agree, any dispute subject to this Exhibit may be subject to non-binding mediation subsequent to informal dispute resolution, but prior to the initiation of arbitration, regulatory, judicial, or other dispute resolution proceedings. The parties that elect mediation shall notify the Committee in writing of the election to mediate.

Section 3.2 Procedures.

(a) A neutral mediator shall be selected by the Chair of the Committee after consultation with the parties involved in the dispute. The Chair of the Committee also may consult with the other representatives on the Committee concerning the selection of a mediator. The mediator selected shall (i) be knowledgeable in the subject matter of the dispute, and (ii) have no official, financial, or personal conflict of interest with respect to the parties or the issues involved in the dispute, unless such interest is fully disclosed in writing to all parties involved in the dispute and all such parties waive in writing any objection to the interest.

(b) The parties involved in the dispute shall attempt in good faith to resolve their dispute in accordance with the procedures and timetable established by the mediator. In furtherance of the mediation efforts, the mediator may, among other actions:

(i) Require representatives of such parties who have the authority to settle such dispute to meet for face-to-face discussions, with or without the mediator;

(ii) Act as an intermediary between such parties;

(iii) Require such parties to submit written statements of issues and positions;

(iv) Require such parties to exchange relevant information with respect to the dispute; and

(v) If requested by such parties at any time in the mediation process, provide a written recommendation on resolution of the dispute including, if requested, the mediator's assessment of the merits of the principal positions being advanced by each such party.

(c) If the parties are unable to resolve the dispute at or in connection with this meeting, then, (i) any party involved in the dispute may commence such arbitration proceedings, or such judicial, regulatory, or other proceedings as may be appropriate as permitted by the provisions of Section 4.1 of this Exhibit; (ii) the statements made by any party in connection with such mediation shall not be admissible for any purpose in any subsequent arbitration, administrative, judicial or other proceeding; (iii) the recommendation of the mediator shall have no further force or effect and shall not be admissible for any purpose in any subsequent arbitration, administrative, judicial, or other proceeding; and (iv) the mediator may not be compelled to testify concerning the mediation in any subsequent arbitration, judicial, or other proceeding.

Section 3.3 Costs.

The costs of the time, expenses, and other charges of the mediator and common costs of the mediation process shall be borne by the parties involved in the dispute, with each side (treating all parties as aligned with either the plaintiff side or the defendant side of the dispute) in the mediated matter bearing one-half of such costs. Each party involved in the dispute shall bear its own costs and attorney's fees incurred in connection with any mediation under this Article III.

ARTICLE IV

ARBITRATION

Section 4.1 When Required.

Any dispute subject to this Exhibit that has not been resolved through the informal or mediation procedures specified herein shall be resolved by arbitration in accordance with the procedures specified herein; provided, however, that unless all parties agree to arbitrate, (a) any dispute subject to the jurisdiction of any regulatory authority shall only be heard by such

regulatory authority, and (b) any dispute wherein one party seeks an injunction or other equitable relief shall be heard only by a court having jurisdiction over the matter.

Section 4.2 Initiation.

(a) A party to a dispute that wishes to commence arbitration proceedings shall send a written demand for arbitration to an officer or managing or general agent (or other agent authorized by appointment or law to receive service of process) of each party to the dispute, and to the secretary of the Committee. The demand for arbitration shall state each claim for which arbitration is being demanded, the relief being sought, a brief summary of the grounds for such relief, and the basis for the claim, and shall identify all other parties to the dispute.

(b) Any party receiving such notice may, if the proviso in Section 4.1 is applicable, notify the parties to the dispute within 14 days of receiving the demand for arbitration, that it intends to have the matter heard by a regulatory or judicial authority and shall thereafter have a further 60 days in which to make the necessary filing to commence proceedings at such regulatory or judicial authority. If the filing necessary to commence proceedings before such regulatory or judicial authority is not made within the foregoing 60-day period, then the party seeking to invoke jurisdiction of a regulatory authority shall be deemed to have consented to arbitration, and the dispute shall revert to arbitration.

Section 4.3 Selection of Arbitrator.

The Committee shall maintain a list of arbitrators that contains an odd number of names, and contains at least five names of Persons whom the Committee believes are generally qualified, by reason of their temperament and experience, to resolve disputes among the parties. Upon an arbitration demand being made by one or more parties, the Committee shall provide the list to the parties to the dispute. The party or parties demanding arbitration on the one hand, and the party or parties responding to the demand for arbitration on the other, shall each (treating all parties as aligned with either the plaintiff side or the defendant side of the dispute) take turns (with the plaintiff proceeding first) crossing names off the list until one arbitrator remains, who shall thereupon be engaged as arbitrator with respect to the dispute.

Section 4.4 Procedures.

The Committee shall compile and make available to the arbitrator and the parties standard procedures for the arbitration of disputes, which may be modified or adopted for use in a particular proceeding as the parties mutually agree or as the arbitrator deem appropriate. Upon selection of the arbitrator, arbitration shall go forward in accordance with applicable procedures.

Section 4.5 Intervention.

The arbitrator may permit any Member to intervene in the proceeding upon the filing of a timely application which demonstrates that the Member has a direct interest that will be materially affected by the decision of the arbitrator and that it will not be represented adequately by an existing party to the proceeding. Any Member seeking to intervene in a dispute shall indicate in its intervention papers whether it believes that it should be aligned with either the plaintiff side or the defendant side of the dispute. Any party to the dispute may challenge such

proposed alignment. The arbitrator shall determine the actual alignment of the parties to a dispute based upon the comparability of the specific positions advanced by each party concerning the issues involved in the dispute.

Section 4.6 Summary Disposition and Interim Measures.

(a) The procedures for arbitration of a dispute shall provide a means for summary disposition of a demand for arbitration, or response to a demand for arbitration, that in the reasoned opinion of the arbitrator does not have a good faith basis either in law or fact. If the arbitrator determines that a demand for arbitration, or response to a demand for arbitration, does not have a good faith basis either in law or fact, the arbitrator shall have discretion to award the costs of the time, expenses, and other charges of the arbitrator to the prevailing party.

(b) The procedures for the arbitration of a dispute shall provide a means for summary disposition without discovery if there is no dispute as to any material fact, or with such limited discovery as the arbitrator shall determine is reasonably likely to lead to the prompt resolution of any disputed issues of material fact.

(c) The procedures for arbitration of a dispute shall permit any party to a dispute to request the arbitrator to render a written interim decision requiring that any action or decision that is the subject of a dispute not be put into effect, or imposing such other interim measures as the arbitrator deem necessary or appropriate, to preserve the rights and obligations secured by the Transco Agreements during the pendency of the arbitration proceeding. The arbitrator may grant or deny, in whole or in part, a request for such a written interim decision. Members and the Company shall be bound by any such written decision pending the outcome of the arbitration proceeding.

Section 4.7 Discovery of Facts.

(a) The arbitration procedures for the resolution of a dispute shall include adequate provision for the discovery of relevant facts, including the taking of testimony under oath, production of documents and things, and inspection of land and tangible items. The nature and extent of such discovery shall be determined as provided herein and shall take into account (i) the complexity of the dispute, (ii) the extent to which facts are disputed, and (iii) the amount of money in controversy.

(b) The arbitrator shall be responsible for establishing the timing, amount, and means of discovery, and for resolving discovery and other pre-hearing disputes. If a dispute involves contested issues of fact, promptly after the selection of the arbitrator, the arbitrator shall convene a meeting of the parties for the purpose of establishing a schedule and plan of discovery and other pre-hearing actions.

Section 4.8 Evidentiary Hearing.

The procedures established by the arbitrator shall provide for an evidentiary hearing, with provision for the cross-examination of witnesses, unless all parties consent to the resolution of the matter on the basis of a written record. The forms and methods for taking evidence shall be as agreed by the parties, or if the parties cannot agree, as established by the arbitrator. The

arbitrator may require such written or other submissions from the parties as shall be deemed appropriate, including submission of the direct testimony of witnesses in written form. The arbitrator may exclude any evidence that is irrelevant, immaterial, or unduly repetitious, and, except to the extent hereinafter otherwise provided, shall exclude any material which is covered by the attorney-client privilege, the accountant-client privilege, other evidentiary privileges, or the attorney-work product doctrine. Any party or parties may arrange for the preparation of a record of the hearing and, except to the extent otherwise provided, shall pay the costs thereof. Such party or parties shall have no obligation to provide, or to agree to the provision of, a copy of the record of the hearing to any party that does not pay a proportionate share of the cost of the record. At the request of any party, the arbitrator shall determine a fair and equitable allocation of the cost of the preparation of a record between or among the parties to the proceeding who are willing to share such costs.

Section 4.9 Confidentiality.

(a) Any information requested from another party in the course of an arbitration proceeding, and not otherwise available to the receiving party, including any such information contained in documents or other means of recording information created during the course of the proceeding, may be designated "Confidential" by the producing party to the extent that such information is of a proprietary nature. The party designating documents or other information as "Confidential" shall have 20 days from the request for such material to submit a request to the arbitrator to establish such requirements for the protection of such documents or other information designated as "Confidential" as may be reasonable and necessary to protect the confidentiality and commercial value of such information and the rights of the parties. Prior to the decision of the arbitrator on a request for confidential treatment, documents or other information designated as "Confidential" need not be produced. "Confidential" information shall not be used by the arbitrator, or anyone working for or on behalf of any of the foregoing, for any purpose other than the arbitration proceeding, and shall not be disclosed in any form to any Person not involved in the arbitration proceeding without the prior written consent of the party producing the information, or as permitted by the arbitrator or as required by law.

(b) Any Person receiving a request or demand for disclosure, whether by compulsory process, discovery request, or otherwise, of documents or information obtained in the course of an arbitration proceeding that have been designated "Confidential" and that are subject to a non-disclosure requirement under this Exhibit, or that are subject to a decision of the arbitrator, shall immediately inform the Person from which the information was obtained, and shall take all reasonable steps to afford the Person from which the information was obtained an opportunity to protect the information from disclosure. Any person disclosing information in violation of this Exhibit or requirements established by the arbitrator shall be deemed to waive any right to introduce or otherwise use such information in any judicial, regulatory, or other legal or dispute resolution proceeding, including the proceeding in which the information was obtained.

(c) Nothing in this Exhibit shall preclude any Person from using documents or information properly and previously obtained outside of an arbitration proceeding, or otherwise public, for any legitimate purpose, notwithstanding that the information was also obtained in the course of the arbitration proceeding.

Section 4.10 Timetable.

Promptly after the selection of the arbitrator, the arbitrator shall set a date for resolution of the dispute, which shall be not later than eight months (or such earlier date as may be agreed to by the parties) from the date of the selection of the arbitrator, with other dates, including the dates for an evidentiary hearing, or other final submissions of evidence, set in light of this date. The date for the evidentiary hearing, or other final submission of evidence, shall not be changed absent extraordinary circumstances. The arbitrator shall have the power to impose sanctions for dilatory tactics or undue delay in completing the arbitration proceedings.

Section 4.11 Decisions.

The arbitrator shall issue either an oral decision that is transcribed or a written decision, which may, at the arbitrator's discretion, include findings of fact. The arbitration decision shall be based on (i) the evidence in the record; (ii) the terms of the relevant Transco Agreements, including any principle, standard, requirement, procedure, plan, or other right or obligation established by or pursuant to those Transco Agreements; (iii) applicable federal and state legal standards, including the FPA and any applicable state and FERC regulations and decisions; and, (iv) relevant decisions in previous arbitration proceedings under the Transco Agreements which shall be available subject to applicable confidentiality provisions. All decisions of the arbitrator shall be maintained by the Committee and shall, subject to any applicable confidentiality provisions, be made available on request to all Members, to the Company and to federal and state regulatory authorities. The arbitrator shall have no authority to revise or alter any provision of any Transco Agreement. Any arbitration decision that affects matters subject to the jurisdiction of the FERC under section 205 or section 206 of the FPA shall be filed with the FERC and any arbitration decision that affect matters subject to the jurisdiction of a state authority shall be filed with that authority.

Section 4.12 Costs.

Unless the arbitrator shall decide otherwise, the costs of the time, expenses, and other charges of the arbitrator shall be borne by the parties to the dispute, with each side on an arbitrated issue bearing one-half of such costs, and each party to an arbitration proceeding shall bear its own costs and fees. The arbitrator may require all of the costs of the time, expenses, and other charges of the arbitrator, plus all or a portion of the costs of arbitration, attorneys' fees, and the costs of mediation, if any, to be paid by any party that substantially loses on an issue determined by the arbitrator to have been raised without a substantial basis.

Section 4.13 Enforcement.

The decision of the arbitrator shall be final, binding and not appealable, except to the extent reviewable by FERC (as permitted or required by law) or as provided in Chapter 788 of the Wisconsin Statutes. Any party may petition any state or federal court having jurisdiction to enter judgment upon the arbitration award.

Section 4.14 Regulatory Jurisdiction.

If a party fails to invoke regulatory jurisdiction of a dispute involving matters subject to FERC or state regulatory jurisdiction within 60 days in accordance with Section 4.1 of this Exhibit, the party shall be deemed to have waived its right to invoke such jurisdiction; provided, however, that this waiver only applies to the party and does not affect any right that the FERC or state regulatory authority may have to act on its own. If such party nonetheless invokes FERC or applicable state regulatory jurisdiction following the arbitration proceedings provided for herein, that party shall be responsible for all attorneys' fees incurred by other parties to the dispute and the Company, whether or not the FERC or state regulatory authority concludes that such party has waived its right to invoke FERC or state regulatory jurisdiction.

ARTICLE V

ALTERNATE DISPUTE RESOLUTION COMMITTEE

Section 5.1 Membership.

(a) The Committee shall be composed of six representatives selected by the Board of Directors of the Corporate Manager, which shall use its best efforts to select a Committee that reflects the diversity, in terms of size, type of entity, and geographic location, of the Members. No more than one representative on the Committee may be a representative of the same Member.

(b) Representatives on the Committee shall serve for terms of three years, beginning on the first day of the month following the annual meeting of the Board of Directors, and may serve additional terms, except that, of the representatives first elected to the Committee, two representatives shall serve terms of one year, and two representatives shall serve terms of two years.

Section 5.2 Voting Requirements.

Approval of adoption of measures by the Committee shall require two-thirds of the votes of the representatives present and voting, but in no event less than three votes. Two-thirds of the representatives on the Committee shall constitute a quorum for the conduct of the business of the Committee.

Section 5.3 Officers.

At the first meeting of the Committee following the annual meeting of the Board of Directors, the representatives on the Committee shall choose a Chair and Vice Chair from among the representatives on the Committee. The Chair and the Vice Chair shall each serve a term of three years, unless earlier terminated by a two-thirds vote of the representatives of the Committee. The Chair of the Committee shall preside at meetings of the Committee, and shall have the power to call meetings of the Committee and to exercise such other powers as are specified in this Exhibit or authorized by the Committee.

Section 5.4 Meetings.

The Committee shall meet at such times and places as determined by the Committee, or at the call of the Chair. The Chair shall call a meeting of the Committee upon the request of two or more members of the Committee.

Section 5.5 Responsibilities.

The duties of the Committee include, but are not limited to, the following:

(a) Maintain a pool of persons qualified by temperament and experience, and with technical or legal expertise in matters likely to be the subject of disputes, to serve a mediators and arbitrators under this Exhibit;

(b) Determine the rates and other costs and charges that shall be paid to mediators and arbitrators for, or in connection with, their services;

(c) Select mediators for disputes;

(d) Determine if mediation is not warranted in a particular dispute;

(e) Provide to the parties involved in a dispute lists of arbitrators qualified by temperament and experience, and with appropriate technical or legal expertise, to resolve particular disputes, such lists to include only neutral persons who have no official, financial, or personal interest or conflict of interest with respect to the parties or the issues involved in the dispute;

(f) Compile and make available to Members, arbitrators, and other interested parties suggested procedures for the arbitration of disputes in accordance with Section 4.4 of this Exhibit;

(g) Maintain and make available to Members, mediators, arbitrators, and other interested parties, subject to any applicable confidentiality provisions, the written decisions required by Section 4.11 of this Exhibit;

(h) Establish such procedures and schedules, in addition to those specified herein, as it shall deem appropriate to further the prompt, efficient, fair, and equitable resolution of disputes; and

(i) Provide such oversight and supervision of the dispute resolution processes and procedures instituted pursuant to this Exhibit as may be appropriate to facilitate the prompt, efficient, fair, and equitable resolution of disputes.

Section 5.6 American Arbitration Association.

Whenever the Company is a party to any dispute, any party whose interests are not aligned with the Company may demand that the Committee instruct the American Arbitration Association to provide the parties with a list of arbitrators pursuant to Section 4.3 in lieu of the

Company supplying such list. In addition, in connection with such dispute, the Committee shall not perform any of those responsibilities charged to it pursuant to Section 5.5 and the dispute shall instead be resolved in accordance with the arbitration rules of the American Arbitration Association for the resolution of commercial disputes.