I. **PURPOSE:**
To provide heirs, or surviving joint membership of deceased patrons, a method to retire patronage capital on a discounted basis.

II. **POLICY:**
It is hereby declared to be the general policy of the Cooperative, subject to the other rules herein contained, to retire the Capital Credits of deceased Patrons, upon their death, and prior to the time such capital credits would otherwise be retired when requested by estate, or surviving joint membership.

III. **RESPONSIBILITY:**
The General Manager/CEO is responsible for seeing that the provisions of this policy are carried out.

IV. **PROVISIONS:**
A. Limitations:
This policy shall apply only to deceased persons, and not to corporations, associations, or business partnerships. This policy shall apply to a joint membership where one of the parties dies and is held pursuant to Section 7(b) of Article I of the By-laws.
B. Written Application:

Before capital credits shall be retired hereunder, an application for decedent early retirement of patronage capital shall be properly executed, dated, and filed with the Cooperative.

C. Financial Condition:
The Board shall not approve applications where payment thereunder will impair the financial condition of the Cooperative. The Board may elect to defer retirement of applications until the financial condition warrants retirement. In all cases duly approved applications shall be paid in the order filed, provided that all required proof and information was submitted with the application, and if not the application shall be acted upon as of the date all required information was furnished to the Cooperative.

D. Time of Payment:

Payment shall be made of duly approved applications, subject to the other rules herein, in the discretion of the Board, either: (a) within a reasonable time following the end of the fiscal year in which death occurred, and after the capital for that year has been determined and credited to decedent’s account, or (b) upon approval payment of the discounted capital credits for years prior to the year of death, and the payment of capital for the year of death within a reasonable time after the end of that fiscal year.

E. Supporting Evidence:
The Board of Directors shall require that each application be supported by evidence adequate in its opinion, and approved by legal counsel for the Cooperative to establish the death, and the persons entitled to payment, and that payment may be made without legal liability of the Cooperative to any other person, firm or agency. The following rules shall be considered:

1. If the decedent's estate is in the process of administration, upon the Cooperative receiving duly certified and current letters of administration in his or her representative capacity.
2. Upon receipt of a decree of distribution, duly certified, specifying to whom the capital credits shall be paid, such capital credits may be paid as provided therein.

3. If decedent's estate has been administered, and closed, prior to application made herein, and the capital credits have not been specifically decreed, the General Manager/CEO may authorize payment according to an omnibus clause in the decree distributing unnamed and after discovered property, or it may require the reopening of the estate for administration of the capital credits.

4. If the estate of the decedent is not in the process of administration, and administration is not contemplated, the General Manager/CEO may authorize payment upon receiving evidence satisfactory to it of the person entitled, either by Will, or intrastate succession, to receive the capital credits, evidence that there are not creditors unpaid, or estate or inheritance taxes to be paid, together with such indemnity as may be appropriate under the circumstances if such distribution is made.

5. Where heirs named in a decree, or otherwise entitled to receive the decedent's capital credits are under legal disability, or are themselves deceased, the General Manager/CEO may likewise, upon furnishing of proper evidence and indemnity make payment to the person entitled thereto.

F. Debts of the Decedent:
A condition of the application, and of retirement of capital credits pursuant to this policy, shall be that any amounts owing by decedent to the Cooperative shall be deducted from the capital credits to be retired as a right of off set.

G. Publicity:
The Cooperative shall publicize with its members and patrons the adoption of this policy on the Cooperative's website, and shall, whenever practicable, notify the family of deceased patrons of this policy.
H. Discount:
Capital Credits retired hereunder shall be at the discounted retirement method using a twenty (20) year rotation cycle and a discount rate equal to 1% plus the actual cost of the Cooperative's capital as calculated annually.

V. PRIMACY OF POLICY
This policy supersedes any existing policy that may be in conflict with the provisions of this policy.

APPROVED BY THE BOARD OF DIRECTORS

[Signature]

Jay Hanson, President

DATE EFFECTIVE: December 18, 2000
DATE REVISED: March 23, 2015