

BYLAWS OF
UNITED POWER, INC. (HEREAFTER “COOPERATIVE”)
Revised July 25, 2018

ARTICLE 1.00 DEFINITIONS

1.01 Definitions: The following definitions, in addition to those which may be found throughout the Bylaws, shall apply in the application of these Bylaws:

1.01.01 Governing Documents: The Governing Documents (inclusion of all amendments thereto) applicable to the Cooperative and its Mmembers are (collectively hereinafter referred to as the “Governing Documents”):

- a) the Articles of Incorporation of the Cooperative (“Articles of Incorporation”);
- b) these Bylaws;
- c) applicable federal and state law (“Applicable Law”);
- d) the Cooperative’s tariffs, rules, regulations, resolutions, approved minutes of the Board of Directors, and policies as may, from time to time, be implemented or ~~revised; revised; and~~
- ~~e) the Agreement for Electric Service and Cooperative Membership; and~~
- ~~f)e)~~ such other documents promulgated by the Board of Directors, or by a vote of the Mmembers, to be a Governing Document.

In the event of a conflict of these Bylaws with the Articles of Incorporation or Applicable Law, then the Articles of Incorporation or Applicable Law, as the case may be, shall control.

1.01.02 Cooperative Service: For purposes of the Ggoverning Documents, a “Cooperative Service” is:

- a) electric energy provided by the Cooperative; and
- b) as determined by the Cooperative’s Board of Directors (“Board”) to be a good or service provided by the Cooperative.

1.01.03 Member: A Mmember is a person meeting the qualifications set forth in Article 2, below. For purposes of these Bylaws, Joint Members shall constitute one “Member.”

1.01.04 Patron: The term “Patron” means, during a fiscal year, any Person using a Cooperative Service to whom the Cooperative is obligated to allocate capital credits for the Cooperative’s Service. For purposes of these Bylaws, the term Patron shall also mean Member, and vice-versa, in matters of governance under Articles 2 through 6 and 9 through 11 where only Members are entitled to rights or entitled to participate as applicable, except where otherwise stated herein.

1.01.01-05 Person: For purposes of these Bylaws, “Person” shall mean any human being at least eighteen (18) years of age or any legal entity capable of property ownership, including but not limited to, such as a corporation, partnership, limited liability company, trust, estate, ~~and~~ governmental bodies, or other legal entities.

ARTICLE 2.00 MEMBERS

2.01 Membership: ~~Unless the Person disclaims membership at the outset, a~~ Person shall become a Mmember ~~of~~in the Cooperative by:

- a) consuming, receiving, purchasing, or otherwise using a Cooperative Sservice (~~“Use”, “Uses”, or “Using”~~) as may be specified in the Governing Documents; and
- b) agreeing to comply with, and be bound by, the Governing Documents and such tariffs, rules, regulations, and policies as may be adopted by the Board (a member of the Board shall be hereinafter referred to as “Director”).

Thereafter, such Person shall be a Mmember of the Cooperative without further act unless the Board determines that the applicant is unable or unwilling to meet the requirements of Mmembership.

2.02 Contract of Member: All Mmembers of the Cooperative, by conducting business with the Cooperative, acknowledge that the terms and provisions of the Governing Documents shall constitute and be a contract between the Cooperative and each Mmember, binding both them and the Cooperative as fully as though each Mmember had individually signed a separate instrument containing such terms and provisions. Copies of the Cooperative’s Bylaws shall be made available on the Cooperative’s website and by request of the Mmember.

2.03 Membership Fee: There shall be no fee charged to become a Mmember of the Cooperative.

2.04 Membership Records: Membership in the Cooperative shall be established ~~on~~in the records of the Cooperative.

2.05 One Membership: No Person may own more than one Mmembership in the Cooperative, regardless of the number of service connections that any such Person may have.

2.06 Joint Membership: Two or more Persons may jointly own a single Mmembership as joint tenants so long as all such Persons meet the qualifications for Mmembership pursuant to these Bylaws. Such Mmembership shall be a single Mmembership and the rights of that single Mmembership may be exercised by any one of the joint owners. Without limiting the generality of the foregoing, the following rules shall apply to a Jjoint Mmembership:

- a) the Jjoint Mmembership has only one vote;
- b) the vote of any one of the Jjoint Mmembers shall constitute the one joint vote;

- c) the presence of any one Joint Member shall constitute the presence of all Joint Members in that household at any meeting and shall constitute a joint waiver of notice of the meeting;
- d) a signed waiver of notice by one Joint Member shall constitute a waiver of all Joint Members;
- e) notice to one Joint Member shall constitute notice to all Joint Members;
- f) expulsion or withdrawal of one Joint Member shall terminate the Joint Membership; and
- g) only one of such Joint owners-Members may be elected or appointed as an officer or Board member at any one time.

2.07 Purchase of Electric Energy: Each Member and Patron shall purchase from the Cooperative all electric energy purchased for use on the premises variously specified in the Governing Documents and shall pay ~~therefor~~ the rates which shall be fixed by the Board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities shall be subject to appropriate regulations adopted by the Board. Each Member and Patron shall pay all obligations which may become due and payable by such Member or Patron to the Cooperative as and when the same shall become due and payable. The amounts paid for electric energy in excess of the cost of service are furnished by Members and Patrons as capital, and each Member and Patron shall be credited with the capital so furnished as provided in these Bylaws. It is expressly understood that the Cooperative will use its best efforts to furnish adequate and dependable electric service but that it cannot, and therefore, does not guarantee a continuous and uninterrupted supply of electricity.

2.08 Non-Liability for Debts of the Cooperative: The private property of Members and Patrons shall not be subject to the payment of, and no Member or Patron shall be individually responsible for, Cooperative debts to any extent whatsoever.

2.09 Exclusion of Members: After notice to a Member and hearing before the Board, the Board may, by the affirmative vote of not less than two-thirds (2/3) of the said Directors, expel any Member, terminate and cancel the Membership if such Member shall have violated or refused to comply with any of the provisions of the Governing Documents.

2.10 Denial or Termination of Membership: The Cooperative may terminate or deny Membership status to any Person who fails to comply with any provision of the Governing Documents.

2.11 Withdrawal of Membership: Any Member may withdraw from Membership upon payment of all debts and liabilities owing by such Member to the Cooperative and upon compliance with such other terms and conditions as the Board may reasonably prescribe. Any Membership is automatically withdrawn from a Member when a Member voluntarily or involuntarily ceases to purchase electric energy from the Cooperative.

2.12 Effect of Termination of Membership: Upon death, cessation of existence, expulsion, denial of Membership, or withdrawal of a Member, the Membership of such Member shall

~~thereupon~~ terminate, and the Membership of such Member shall be cancelled ~~forthwith~~ by the Cooperative regardless of whether ~~the any~~ certificate of Membership is surrendered to the Cooperative. Termination of Membership shall constitute a release of all right, title, and interest of the Member in the assets of the Cooperative except as otherwise provided by these Bylaws.

2.13 Transfer of Membership: Membership in the Cooperative shall not be transferable except upon the records of the Cooperative or as provided in this section. A Membership may be transferred by a Member to that Member and another Person or Persons in joint tenancy upon the written request of such Member to the Cooperative so long as the additional Persons are qualified to be Members under these Bylaws. When a Membership is held in joint tenancy, upon the death of any joint tenant, such Membership shall be deemed to be held by the survivor, or survivors with the same effect as though such Membership had been originally issued to the survivor or survivors; provided, however, that neither the estate of the deceased nor the surviving joint tenant shall be released from any obligations, debts, or liabilities to the Cooperative.

ARTICLE 3.00 MEETING OF MEMBERS

Meetings of Members shall be conducted in accordance with the Governing Documents, including as more fully described herein.;

3.01 Annual Meeting: The annual meeting of the Members shall be held before May 1st each year on a date and at a place fixed by the Board ~~within the Cooperative's service territory~~. The meeting shall be for the purpose of ~~electing Directors~~, considering and approving reports for the previous fiscal ~~year, and year and~~ transacting such other business as may properly come before the meeting. The purpose of the annual meeting may also be to elect Directors. The date of such meeting, ~~which shall include the election of Directors for offices subject to election in said year,~~ shall be fixed, posted on the Cooperative's website, and otherwise publicized no less than six (6) months before such meeting. The Cooperative can choose to hold the annual meeting in person at a location within the Cooperative's service territory, virtually, electronically as allowed by state law, or in a hybrid manner, and any of these meetings will be considered valid.

3.02 Special Meetings: Providing that it is for a proper purpose, special meetings of the Members may be called by the written request of at least five (5) Directors or upon a written request, signed by at least ten percent (10%) of all the Members, filed with the Secretary, which request must state the purpose of the meeting. If for a proper purpose, the Board shall cause a call or notice of such meeting to be given as hereinafter provided. Special meetings of the Members may be held within the Cooperative's service territory. No business shall be transacted at a special meeting other than the purpose for which it was called. For purposes of these Bylaws, a "proper purpose" means a purpose reasonably related to the demanding Directors' or Members' interest as a Member.

3.03 Notice of Members' Meetings: Notice of the time and place of the holding of each meeting shall be published not less than ten (10) nor more than thirty (30) days previous thereto in a newspaper published in the county where the principal office of the Cooperative is located. ~~Written~~

~~or printed notice~~ Notice stating the place, day, and hour of the meeting shall also be given to each Mmember not less than thirty (30) days before the date of such meeting, as provided in Article 11, Section 11.08 of these Bylaws. Notice of a special meeting shall state the purpose for which said meeting is called. Notice by mail shall be deemed to be delivered when deposited First Class postage prepaid in the United States mail, addressed to the Mmember at the address given on the records of the Cooperative. Notice will also be posted on the Cooperative's website. Failure of any Mmember to receive notice of an annual or special meeting of the Mmembers mailed to the address or electronic address on the Cooperative books shall not invalidate any action, which may be taken by the Mmembers at any such meeting. Any Mmember may waive, in writing, any notice.

3.04 Fixing Record Date: For the purposes of determining Mmembers entitled to notice of, or to vote at any meeting of Mmembers, or for any other proper purpose, the Board may fix in advance a date as the record date or dates for any such determination, which shall not be more than fifty (50) days nor less than ten (10) days prior to the date on which the particular action is to be taken.

3.05 ~~Election and Credentials~~ Qualifications and Election Oversight Committee, Parliamentarian: ~~The~~ In an election year as defined in Article 4, Section 5, the Board shall appoint ~~an election and credentials committee or committees,~~ to review submitted Director candidate applications and petitions, to rule on a candidate's qualifications and eligibility to run for the office of Director, to rule upon all questions that may arise concerning any election of the Mmembers, to ~~count~~ certify tabulation of all ballots, to rule upon any irregular or indecisive ballots, to pass upon any protest or objection filed with respect to any election, and to otherwise administer the election in a manner consistent with the Governing Documents and Board established policies. Any such protest or objection must be filed with the ~~chairperson~~ chair of the committee within three (3) business days following the adjournment of the meeting. The Board may appoint a parliamentarian, who need not be a Mmember, to rule on all procedural matters.

3.06 Quorum: ~~The lesser of five percent (5%) or fifty~~ Fifty (50) Mmembers present ~~in person by submitting a ballot for the Director election~~ shall constitute a quorum for the transaction of all business except as otherwise provided in these Bylaws. If no election is held, a quorum can be established by the presence – either in person or virtually by electronic means as allowed by state law – of fifty (50) Members in attendance at the meeting. If less than a quorum is present at any meeting of the Mmembers, a majority of those present in person or virtually by electronic means as allowed by state law may adjourn the meeting without further notice. Such adjourned meeting may be held at any place within the Cooperative's service territory. There may be more than one adjournment.

3.07 Voting, One Vote: Each Mmember shall be entitled to only one (1) vote, which cannot be divided, upon each matter submitted to a vote of the Mmembers. At all meetings of the Mmembers at which a quorum is present, all questions shall be decided by a vote of a majority of the Mmembers voting ~~thereon~~ in person, by electronic means as allowed by state law and established policies of the Cooperative, or by mail ballots provided by the Cooperative, except as otherwise provided by the Governing Documents.

3.08 Proxies and Cumulative Voting: Proxy and cumulative voting are prohibited.

3.09 Order and Conduct of Business at Meetings of Members: The order and conduct of business at the annual meeting of the Mmembers, and so far as possible at all other meetings of the Mmembers, shall in a manner set forth in the edition of *Robert's Rules of Order* current as of the time of the meeting.

ARTICLE 4.00 DIRECTORS

The number, qualification, election, terms, powers, and all other matters pertaining to Directors shall be as set forth in the Governing Documents, including as more fully set forth herein:

4.01 General Powers: The business and affairs of the Cooperative shall be managed by a Board which shall exercise all of the powers of the Cooperative except such as are reserved to the Mmembers pursuant to the Governing Documents.

4.02 Number of Directors, Director Districts: There shall be not less than three (3) nor more than eleven (11) Directors of the Cooperative. As of the effective date of these Bylaws, there shall be eleven (11) Directors of the Cooperative. There shall be four (4) Director districts, named and bounded within the authorized service area of the Cooperative as ~~follows, with the number of Directors per district listed under each district: established by resolution of the Board.~~ Director districts shall have no less than two (2) and no more than three (3) Directors each. Maps of the Cooperative's boundary lines and district descriptions are created and maintained by the Cooperative and available to the Membership on the Cooperative's website.

- ~~a) **Mountain District:** There shall be two (2) Directors elected from the Mountain District, which is bounded as follows: all Sections in the following Ranges and Townships: R70W, R71W, R72W, R73W, R74W, T1S, T2S, and T3S.~~
- ~~b) **West District:** There shall be three (3) Directors elected from the West District, which is bounded as follows: all Sections in the following Ranges and Townships: R69W, R68W, T4N, T3N, T2N, and T1N; all Sections in Range R68W and Township T1S; Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, and 35 in Range R67W and Townships T4N, T3N, T2N, T1N; Sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18 in Range R67W and Township T1S.~~
- ~~c) **East District:** There shall be three (3) Directors elected from the East District, which is bounded as follows: all Sections in the following Ranges and Townships: R66W, R65W, R64W, R63W, T3N, T2N, and T1N; all Sections in the following Ranges and Townships: R65W, R64W, T1S and T2S; Sections 1, 12, 13, 24, 25, and 36 in Range R67W and Townships T4N, T3N, T2N, and T1N; Sections 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, in Range R66W and Township T1S and T2S.~~
- ~~d) **South District:** There shall be three (3) Directors elected from the South District, which is bounded as follows: Sections 1, 2, 11, 12, 13, 14, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36 in R67W and T1S; Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31, and 32 in Range R66W and Townships T1S and T2S; all Sections in Range R67W and Township T2S.~~

4.02.01 Redistricting: At least every ten (10) years from the effective date of these Bylaws, the Board shall review each district and if there are substantial inequities in the numbers of Members in any of the districts inequalities in the service area of the Cooperative, the Board may redefine district boundaries. If so redefined, such –redistricting will be considered finished and in effect following a vote by the Board of Directors to adopt a resolution to redefine district boundary lines and as soon as the Cooperative can enact the newly defined districts within its service applications. Redistricting shall not be performed one hundred and twenty (120) days prior to any annual meeting of Members.

4.03 Qualifications: To be eligible to become or remain a Director, the Person shall:

- a) be an individual human being;
- b) have the capacity to enter into legally binding contracts;
- c) not have been previously removed as a Director;
- d) be a Mmember at least two (2) years immediately before filing the candidate application and petition with United Power pursuant to Article 4, Section 6; becoming a Director;
- e) receive electric service from the Cooperative at his or her primary residential abode which is located in the district he or she is to represent;
- f) be able to actively participate in the management of the business and affairs of the Cooperative;
- g) not be employed by, financially interested in, or representing the interests of an enterprise competing or in conflict with the Cooperative or a business selling electric energy to the Cooperative other than by permitted production or cogeneration;
- h) while a Director and during the three (3) years immediately before becoming a Director, not have been an employee of the Cooperative, or an entity controlled by the Cooperative or in which the Cooperative has a majority interest (“Cooperative Subsidiary/Affiliate”);
- i) while a Director and during the three (3) years immediately before not have been an employee of a statewide association of electric cooperatives, an electric generation and transmission cooperative, material supply cooperative, financial cooperative, national electric cooperative, or other entity in which the electric cooperative is a member or has been a member;
- ~~h~~j) while a Director and during the three (3) years immediately before becoming a Director, not receive or have a Close Relative who receives more than ten percent (10%) of annual gross income, other than insurance or Director compensation income, directly or indirectly from the Cooperative or Cooperative Subsidiary/Affiliate;
- ~~j~~) while a Director, not be a Close Relative of a Cooperative Officer, Director, or employee; and
- k)
- ~~k~~) not have had a judgement of conviction entered against such a Person, or pled guilty or nolo contendere to a crime involving an offense against a Person, involving fraud or any crime of dishonesty, computer misuse, gambling, morals, weapons, financial matters of any kind, or other crimes which, in the judgement of a majority of the current Board, warrant disqualification. Upon the establishment of the fact that a Director is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board to remove such Director from office. As to this subsection kl, a determination by a Board regarding qualification or

disqualification because of any conviction shall be a final disposition of this issue. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board attended by a Director so removed.

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~~Any one Person, designated by a municipality, whose primary residential abode is located in a municipality which owns and operates its own electric utility distribution system and purchases a substantial part of its wholesale power from the Cooperative pursuant to contract is exempt from qualifications (d) and (e) above. Such Person would be eligible to become a Director in the district closest geographically to the municipality.~~

For purposes of ~~section this Article 4, Section 4.03~~, a human being ~~who is not otherwise a member, and~~ who has been designated by any legal entity ~~as the Person~~ to be its representative, qualifies to run as a Director so long as such legal entity has been a Member at least two (2) years immediately before filing the candidate application and petition with United Power pursuant to Article 4, Section 6; receives electric service in the District which that person is designated to represent; and runs as the legal entity's designated representative.~~such Person becoming a Director. Such representative must also meet the qualifications hereof except that such representative is exempt from qualifications (d) and (e).~~ The legal entity designating ~~such Person~~ as its representative must do so in writing as approved by the appropriate authority of such legal entity. No Person, either individually or as the designated representative of a legal entity, shall serve in more than one Director position at a time.

For purposes of the Governing Documents, the term "Close Relative" means an individual who:

- a) Through blood, law, or marriage, is a spouse, child, stepchild, father, stepfather, mother, stepmother, brother, stepbrother, half-brother, sister, stepsister, half-sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law; or,
- b) Resides in the same residence (collectively, "Close Relative").

Notwithstanding the above, the qualifications of any current Director shall be determined based on the qualifications in effect at such time the Director was elected to the Board; provided, however, if such Director seeks re-election to the Board, the qualifications as set forth in this Article 4, Section 4.03 shall apply. The failure of any current Director to satisfy any of the qualifications set forth in Article 4, Section 4.03 shall not be grounds for removal unless such qualification also was in effect at the time the Director was elected to the Board.

4.04 Term: Each Director, except as provided in ~~section Article 4, Section 4.07~~, shall be elected to hold office for a term of three (3) years, or until his or her successor has been elected and qualified. The terms of the Directors shall be staggered so that the tenure of not more than one (1) Director from each district expires each year. The tenure of office of all Directors shall be subject to the provisions of these Bylaws.

4.05 Election:

4.05.01 At each annual meeting held, in which an election year occurs, one (1) Director shall be elected by ballot from each district in which a Director's term has expired. Each Member shall have the right to cast one (1) vote for a Director from each Director district up for election. The candidate from each district who receives the highest number of votes shall be elected.

4.05.02 -A recount of any election contest in a particular district or districts shall be held if the difference between the highest number of votes cast in the election contest and the next highest number of votes cast in that contest is less than equal to one-half of one percent (0.5%) of the highest vote cast in that election contest. The recount shall commence within two (2) business days of the election and shall be conducted under the supervision of the ~~election and credentials~~Qualifications and Election Oversight Committee, with the advice of the Cooperative's Corporate Attorney~~counsel~~.

4.05.03 Following a recount and in the case of a tie vote, the winner shall be selected by the toss of a coin to be performed by the ~~chairperson~~Chair of ~~the any election and credentials~~Qualifications and Election Oversight Committee ~~appointed by the Board~~ and, in the absence of ~~such a Person, the committee Chair~~, by the current ~~Chairman of the Board~~ Chair.

4.06 Candidacy and Nomination: The procedure and timing for a Member to become a candidate for the Board, and the process by which elections for the Board are held shall be determined by the Board and set forth in a policy of the Cooperative, subject to the Governing Documents. Nominations may be made by written petition which states the name and district of the nominee, is signed by fifteen (15) or more Members, and is filed with the ~~Board~~Cooperative as established by policy not less than ~~sixty-ninety (60)(90)~~ days prior to the meeting of the Members to be held for the election of Directors. ~~The Board shall post a~~ slate of Director nominees shall be posted at the principal office of the Cooperative at least sixty (60) days before the meeting. ~~The Board shall include with the notice of the meeting a listing of~~ Director candidates will be listed ~~nominated~~ by district ~~and~~ in alphabetical order. An incumbent Director's name will have the word "Incumbent" following their name on all election materials. A representative designated by a legal entity which is a Member will have the legal entity's name following their name on all election materials. Failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of a Director.

4.06.01 Campaign Contribution Reporting: All candidates running for election to the Board of Directors shall disclose monetary and in-kind contributions to the Director candidate's campaign. The Board of Directors shall establish a policy setting forth rules for reporting campaign contributions consistent with this provision.

4.07 Vacancies: Except as hereafter provided, any vacancy occurring on the Board may be filled by a majority vote of the remaining Directors voting at a regularly ~~called~~ Board meeting at which a quorum is present. The ~~Director so~~-appointed Director shall serve the unexpired term of his or her predecessor.

If the unexpired term is more than one (1) year and the Board has not appointed a Director at least fifteen (15) days prior to the deadline for petition, said vacancy shall be filled by vote of the Membership, the Membership being entitled to petition for nomination for that district in the manner provided in ~~section~~ Article 4, Section 4.06.

A Director designated by a legal entity must immediately notify the Board, resign, and vacate their seat if their affiliation to the legal entity ends by any means including termination of employment or retirement from the legal entity. Provided also, that if the Director fails to resign, the Board can remove the Director. At such time, the remaining Board may appoint a person to fill the vacant seat pursuant to this Article 4, Section 7.

4.08 Compensation: Directors ~~as such~~ shall not receive any salary for their services, but by Board policy a fixed sum and expenses of attendance, if any, may be allowed for attendance at Board meetings, committee assignments, and such other meetings, conventions, programs, and events which assist the Board to do and perform all acts and things, and to exercise any powers which may be necessary, convenient, or appropriate to accomplish the purposes for which the Cooperative is organized. In addition, the Cooperative may, at its expense, purchase insurances on and for the Directors and necessary office equipment for its Directors, as the Board may determine from time to time. No Director shall receive compensation for serving the Cooperative in any other capacity, except as permitted by Board resolution; nor shall any Close Relative of a Director receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the Members.

4.09 Tariffs, Rules, Regulations, and Policies: The Board shall have the power to make and adopt such tariffs, rules, regulations, and policies ~~not inconsistent~~ consistent with the Governing Documents as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

4.10 Committees: The Board, by resolution, may appoint committees composed of Board members or Members who are not on the Board or any combination thereof to make recommendations to the full Board and to have such other authority as provided in the resolution, provided, however, no such committee shall have authority to act for the full Board where full Board action is required by the Governing Documents.

4.11 Accounting Systems and Reports: The Board shall cause to be established and maintained a complete accounting system, which shall conform to applicable laws, rules, and regulations of any regulatory body having jurisdiction over the Cooperative, and the requirements of any lender. The Board shall cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative at least once each year by an independent certified public accountant. Said audit shall not exceed a twelve (12) month period.

4.12 Removal of Directors: A Director may be removed only in accordance with this section.

4.12.01 Removal by Board: If the Board determines, after giving the affected Director notice and opportunity to be heard, that a Director does not meet the qualifications set forth in Article 4, Ssection 4.03, the Board shall promptly remove such Director from office. The

matter shall be heard by the Board at its first meeting after it has notice of any alleged disqualification, provided adequate notice is given to the affected Director.

a) Director Discipline:

- i. The Board may create a committee to investigate any formal written complaint made about a Director. The formal complaint must be in writing and filed by another Director or by the Corporate ~~Attorney Counsel~~ of United Power. The committee shall be composed of the current Board ~~chairman~~Chair, or next highest officer if the Board ~~chairman~~Chair is the subject of the complaint, and two (2) other Directors selected by the Board. The committee shall maintain confidentiality of records and discussion regarding the complaint to protect personal privacy or safety, or in conformance with state law.
- ii. The Board shall provide the complaint to the Director who is the subject of the complaint after creation of the committee to investigate. The Director who is the subject of this complaint may provide a written response and evidence within thirty (30) days of receipt of the complaint.
- iii. Following investigation, the committee shall make its report to the full Board with its findings, conclusions, and recommendations concerning the complaint. The Board shall consider the complaint, the response, all evidence obtained by the committee, as well as the committee's findings, conclusions, and recommendations concerning the complaint. The committee may recommend discipline, no discipline, a reprimand, or a dismissal of the complaint. The Board (minus the Director who is the subject of the complaint) shall render the final decision on the complaint by a majority vote of the quorum present at the meeting held for purposes of deliberation and discussion. While the deliberation and discussion shall be conducted in Executive Session, the decision shall be announced outside the Executive Session by a simple statement of the resolution. The report shall be given in Executive Session and may be kept confidential except as required by state law. The Director who is the subject of the complaint shall not participate in the Board's deliberation or vote on any matter related to the issue, except as requested by the Board or as allowed in this section. Once all evidence is considered, the Board may, by majority vote, institute one or more of the disciplinary measures set forth in (iv) below or may dismiss the complaint.
- iv. Disciplinary action may include:
 1. a verbal warning;
 2. a written reprimand;
 3. a reduction in Director's privileges or compensation; or
 4. removal pursuant to subsection (b) of this section.
- v. The complaint shall be investigated, heard, and decided by the Board within ninety (90) days from the receipt of the complaint by the Board

b) Removal by the Board: A Director may be removed for Cause by a vote of at least two-thirds (2/3) of the non-affected remaining Directors present as a quorum, who are not subject to the current complaint, at a regular or special Board meeting called for such purpose. The Director shall be informed ~~thereof~~ in writing at least thirty (30) days in advance of the meeting at which such a removal vote is scheduled to take place, and

shall have an opportunity to respond, or be heard in person or by counsel, at such meeting.

c) Cause Defined: Cause includes:

- i. a conviction or judicial determination involving a felony crime or a crime of moral turpitude after election as a Director;
- ii. becoming ineligible to serve as a Director due to failing to meet the qualifications in ~~section Article 4, Section 4.03 of this Article;~~
- iii. violation of a Director's fiduciary duty during his/her service as a Director;
- iv. a violation of company policies;
- v. unacceptable personal conduct ~~brining-bringing~~ disrepute or disparagement to the Cooperative; or
- vi. malfeasance, misfeasance, or nonfeasance adversely affecting the Cooperative's interest.

Cause does not mean its good faith, discretionary exercise of business judgement.

4.12.02 Removal by Members: A Director may be removed by the ~~M~~members only for cause in accordance with the following procedures. As used herein "Cause" means:

- a) a conviction or judicial determination involving a felony crime or a crime of moral turpitude after election as a Director;
- b) becoming ineligible to serve as a Director due to failing to meet the qualifications in ~~section Article 4, Section 4.03~~ of this Article;
- c) violation of a Director's fiduciary duty during his/her service as a Director;
- d) a violation of company policies;
- e) unacceptable personal conduct ~~bring~~ing disrepute or disparagement to the Cooperative; or
- f) malfeasance, misfeasance, or nonfeasance adversely affecting the Cooperative's interest.

Cause does not mean its good faith, discretionary exercise of business judgement.

To initiate removal proceedings, ~~M~~members may file, at the principal office of the Cooperative, a written petition stating alleged ~~cause~~Cause(s) for removing a Director, which petition must be subscribed by at least ten percent (10%) of the ~~M~~members. No petition shall seek removal of more than one (1) Director. Upon receipt of such petition or petitions, the same shall be presented to the Board for consideration at its next meeting at which a quorum is present. If no more than five (5) Directors are sought to be removed, a majority of those voting Directors not subject to such petitions shall determine whether Cause is stated by the petition(s). If more than five (5) Directors are sought to be removed, the ~~President and~~ Chief Executive Officer shall promptly refer the question of whether Cause is stated to an attorney who is duly licensed to practice law in Colorado for at least five (5) years and who has not previously represented the Cooperative. Such attorney's determination shall be binding.

The Board shall give written notice to the Members whether or not Cause has been stated within thirty (30) days of that determination. If Cause is determined to have been stated, the

petition(s) for removal shall be voted on at the next regular or special meeting, which shall be held within ninety (90) days of that determination. Removal may be accomplished only by a majority of those Mmembers voting if that voting majority is equal to at least ten percent (10%) of all Mmembers.

All Directors who are subject to such a petition shall be promptly informed in writing by the Board, and each shall have the opportunity, in person and by counsel, to present arguments and evidence in support of him- or herself both before and at said meeting. Mmembers signing the petition(s) shall have the same opportunity.

The Board shall include in the ~~mailing of notice and ballots~~ to the Mmembers a statement, prepared by the petitioners, of why each affected Director(s), should be removed, and a response thereto, prepared by the affected Director(s), subject to the right of the Board to impose reasonable limitations of length and content. The Board may appoint a parliamentarian to conduct that portion of the meeting at which the question of removal is heard and voted upon.

Any vacancy created by removal shall be filled pursuant to Article 4, Section 4.07 of these Bylaws, provided, however, that any Director removed may not be reappointed by the Board, and provided further that if all of the Board is to be removed, an election must be held concurrently to elect new Directors to fill the vacated Board seats. that Board shall nevertheless have the authority to elect a successor Board before it leaves office. Nothing in this section shall be construed to affect the validity of any Board action in which a removed Director participated unless specifically determined otherwise by a resolution by the Board in place after such removal.

ARTICLE 5.00 MEETINGS OF DIRECTORS

Meetings of the Directors shall take place pursuant to the terms of the Governing Documents, including as more fully set forth herein:-

5.01 Regular Meetings: ~~A minimum of ten (10) regular Board meetings shall take place annually, typically on a monthly basis, within the Cooperative's service territory. At least one (1) but not more than two (2) regular meetings of the Board shall be held each month within the service area of the Cooperative and at such times and places as the Board may provide by an annual motion no later than the October Board meeting of the preceding year. Such regular meetings may be held without notice to the Directors other than such motion fixing the time thereof.~~

5.02 Special Meeting Notice: Special meetings of the Board may be called by the ~~chairman~~ Chair or any five (5) Directors. The Person or Persons authorized to call special meetings of the Board may fix the time and place for the holding of the special meeting called by them which need not be in the Cooperative's service area. Written notice of the time and place of any special meeting of the Board shall be given to each Director at least ten (10) days prior thereto, as provided in Article 11, Section 11.08 of these Bylaws.

5.03 Waiver of Notice: A Director may waive, in writing, notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

5.04 Notice and Adjournment: Notice of the time and place of each Board meeting and a copy of the agenda designating the matters to be discussed or actions to be taken shall be posted on the Cooperative's website and in each of the Cooperative's service offices at least ten (10) days before the meeting. Copies of said agenda shall be available at each service office for all Mmembers. If the Board does not complete its agenda on the scheduled meeting date, it may adjourn the meeting to a subsequent date prior to its next meeting in order to complete its agenda without further notice or posting.

5.05 Quorum: A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board provided that, if less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting to a subsequent date without further notice or posting.

5.06 Manner of Acting: The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

5.07 Participation in Meetings by Electronic Means: Any Director may participate in a meeting of the Board or committee by means of telephone or video conference or similar communications equipment by which all Persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

ARTICLE 6.00 OFFICERS

6.01 Number: The officers of the Cooperative shall be a Chairman, Vice-Chairman, Secretary, Treasurer, Assistant Secretary/Treasurer, and such officers as the Board may from time to time determine. The offices of Secretary and of Treasurer may be held by the same Person.

6.02 Election and Term Office: The officers shall be elected by ballot, annually by the Board at the first meeting of the Board held after each annual meeting of the Mmembers. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until removal, the first meeting of the Board following the next succeeding annual meeting of the Mmembers, or until his or her successor shall have been duly elected and shall have qualified.

6.03 Removal: Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgement the best interests of the Cooperative will be served thereby.

6.04 Vacancies: The Board may fill a vacancy in any office for the unexpired portion of the tenure.

6.05 Chairman: The Chairman shall:

- a) be the principal officer of the Cooperative and shall preside at all meetings of the Members and of the Board, except as otherwise provided in these Bylaws;
- b) sign, personally or by facsimile, with the Secretary any deeds, checks, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board, or pursuant to a written policy adopted by the Board, to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- c) in general, perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time.

6.06 Vice-Chairman: In the absence of the Chairman or in the event of his or her inability or refusal to act, the Vice-Chairman shall perform the duties of the Chairman, and when so acting, he or she shall have all the powers of and be subject to all the restrictions upon the Chairman and shall perform such other duties as from time to time may be assigned to him or her by the Board.

6.07 Secretary: The Secretary shall:

- a) Be responsible for the minutes of meetings of the Members and the Board;
- b) See that all notices are duly given in accordance with these Bylaws or as required by state law;
- c) Oversee the retention of the corporate records and the seal of the Cooperative;
- d) When required by state law or necessary to the business of the Cooperative, affix the seal of the Cooperative to all documents, the execution of which is duly authorized in accordance with the provisions of these Bylaws; and
- e) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board.
- ~~a) Keep the minutes of meetings of the members and the Board in one or more books provided for that purpose;~~
- ~~b) See that all notices are duly given in accordance with these Bylaws or as required by law;~~
- ~~c) Safely keep the corporate records and the seal of the Cooperative;~~
- ~~d) When required by law or necessary to the business of the Cooperative, affix the seal of the Cooperative to all documents, the execution of which is duly authorized in accordance with the provisions of these Bylaws;~~
- ~~e) Keep a current register of the address of each member which shall be furnished to the Cooperative by such member;~~
- ~~f) Have general charge of the books of the Cooperative in which a record of the members is kept;~~
- ~~g) Keep on file at all times a complete copy of the Bylaws of the Cooperative containing all amendments thereto, and at the expense of the Cooperative, furnish a copy of the Bylaws and of all amendments thereto upon the request of any member, and~~

~~h) In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board.~~

6.08 Treasurer: The Treasurer shall:

- a) Provide oversight of financial matters of the Cooperative; and
- b) In general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board.
- ~~a) Have custody of all funds and securities of the Cooperative;~~
- ~~b) Receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and~~
- ~~c) In general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Board.~~

6.09 Management Officers: The Board may appoint one or more additional officers charged with the day to day management of the Cooperative.

6.09.01 President and Chief Executive Officer: The Board may appoint a President and Chief Executive Officer who may be, but who shall not be required to be, a Mmember of the Cooperative. The President and Chief Executive Officer shall be the chief executive officer of the Cooperative, shall perform such duties as the Board may from time to time require of him or her, and shall have such authority as the Board may from time to time vest in him or her.

6.10 Bonds of Officers: The Treasurer and any other officer or agent of the Cooperative charged with responsibility of the custody of any of its funds or property shall be bonded and/or insured in such sum and with such surety as the Board shall determine. The Board may also require any other officer, agent, or employee of the Cooperative to be bonded and/or insured in such amount and with such surety as it shall determine.

6.11 Compensation: Subject to the limitations contained in these Bylaws, the compensation of officers, agents, and employees shall be fixed by the Board or delegated by the Board to an officer of the Cooperative.

6.12 Reports: The ~~Chairman~~ and Treasurer of the Cooperative shall submit reports at each annual meeting of the Mmembers covering the business of the Cooperative for the previous fiscal year, including the financial condition of the Cooperative as of such fiscal year.

6.13 Delegation of Duties, Election of Assistants: In case of absence of any officer or for any other reason that the Board may deem sufficient, the Board may delegate the powers and duties of any such officer to any other officer or ~~director~~ Director or may appoint a Director as an assistant to any such officer to exercise the powers and duties thereof.

6.14 Delegation of Administrative Functions: An officer may delegate any administrative function to another officer, employee, or agent of the Cooperative as the Board may deem necessary for the efficient conduct of the Cooperative's business.

ARTICLE 7.00 CONTRACTS, CHECKS, AND DEPOSITS

7.01 Contracts: Except as otherwise provided in these Bylaws, the Board may authorize by motion, resolution of the Board or pursuant to a written policy adopted by the Board, any officer or officers, employee or employees, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or limited.

7.02 Checks, Drafts, Etc.: All checks, drafts, or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall be determined by resolution of the Board or pursuant to a written policy adopted by the Board.

7.03 Deposits: All funds of the Cooperative, except petty cash as authorized by resolution of the Board or pursuant to a written policy adopted by the Board, shall be deposited to the credit of the Cooperative in such bank or banks as the Board may select. By resolution of the Board or pursuant to a written policy adopted by the Board, Cooperative funds may also be held or invested in savings and loan associations, U.S. government obligations, certificates of deposit, rural cooperative organizations, or such other prudent investments which the Board believes will benefit the Cooperative.

ARTICLE 8.00 NON-PROFIT OPERATION

~~**8.01 Patron:** The term "Patron" means, during a fiscal year, any Person using a Cooperative service to whom the Cooperative is obligated to allocate capital credits for the Cooperative's services.~~

8.02-01 Interest or Dividends on Capital Prohibited: The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its Patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its Patrons.

8.03-02 Patronage Capital in Connection with Furnishing Electric Energy:

- a) In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all Patrons will, through their patronage, furnish capital for the Cooperative. In order to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obliged to account to all its Patrons for all operating amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable

against the furnishings of electric energy. All such amounts in excess of operating costs and expenses are received by the Cooperative with the understanding that they are furnished by the Patrons as capital. The Cooperative is obligated to pay by credits ("Capital Credits") – per capita, based on a Patron's usage of electric service – to a capital account for each Patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each Patron is clearly reflected and credited in an appropriate record to the capital account of each Patron, and the Cooperative shall within a reasonable time after the close of the fiscal year provide a ~~written~~ notice to each Patron of the amount of capital so credited to his or her account. All such amounts credited to the capital account of any Patron shall have the same status as though they had been paid to the Patron in cash in pursuance of a legal obligation to do so, and the Patron had then furnished the Cooperative corresponding amounts for capital.

- b) All other amounts received by the Cooperative shall, insofar as permitted by law, be:
 - i) Used to offset any losses incurred during the current or any prior fiscal year:
 - ii) Allocated as capital credits to Patrons in the same manner as the Cooperative allocates capital credits to the accounts of Patrons; or
 - iii) Used by the Cooperative as permanent, non-allocated capital.
- c) In the event of sale, dissolution, or liquidation of the Cooperative, or all of its assets, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired, without priority, on a pro rata basis before any payments are made on account of property rights of Patrons. Then all ~~M~~membership fees, to the extent collected, shall be refunded to each Patron. Any remaining property and assets shall be distributed among the Patrons and former Patrons of the Cooperative in the proportion which the aggregate patronage capital account of each Patron bears to the total allocated patronage capital account of all Patrons and former Patrons on the books of the Cooperative at the time of sale, dissolution, or liquidation.
- d) If at any time the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to Patrons' capital accounts may be retired in full or in part by the Board acting under policies of general application. The Board shall determine the method, basis, priority, and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. Patrons to whom capital credits have been allocated shall be required to keep the Cooperative informed of their current mailing address in order that the Cooperative any retire or refund capital credits, membership fees, deposits, and any other amounts due to such Patrons in accordance with these Bylaws.
- e) Capital credited to the account of each Patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such Patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise.

- f) Notwithstanding any other provision of these Bylaws, the Board, at its discretion, shall have the power at any time upon death of any Patron who is a human being, if the legal representative of the Patron's estate so requests, to retire capital credited to any such Patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such Patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired by such retirement of capital.
- g) At any time prior to the retirement of any capital credited to any Patron's account, or prior to any assignment of capital credits as provided in (e) above, the Cooperative shall, acting under policies of general application established by the Board, be entitled to deduct therefrom, and shall have the right of setoff with respect to any amount owing by such Patron to the Cooperative, for any reason whatsoever, and as allowed by the governing documents or then-existing state law, together with interest thereon at the Colorado legal rate accruing on a judgement in effect when such amount became overdue, compounded annually. The Cooperative's right to deduct and/or setoff shall apply to existing Patrons, deceased Patrons, or those who cease to be Patrons.
- h) If a Patron ceases to use Cooperative services, the Cooperative shall immediately have the right to retire any capital credited to said Patron using principles of general application established by the Board. In addition, the Cooperative shall have the rights set forth in Article 8, Section 8-03 (g) with respect to any unpaid amounts due and owing to the Cooperative against a Patron's capital credit, if any. If, after any deduction or setoff, capital credits remain, and said credits remain on the books of the Cooperative for three (3) years, the amount of credits shall be deemed unclaimed, and the procedures of Article 8, Section 8-04 shall apply.
- i) Discounted capital credit retirements shall be calculated based on a rate established by the Board acting pursuant to policies of general application enacted by the Board. All amounts of capital allocated to Patrons but retained by the Cooperative after retirements on a discounted basis shall be considered a contribution of capital to the Cooperative and part of the "net savings" of the Cooperative. "Net savings" of the Cooperative will not be reallocated as excess margins to any former or current Patrons.
- j) Provided further, however, that the Board shall have the power to adopt policies providing for the separate retirement of that portion of capital credited to the accounts of Patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service to the Cooperative ("power supply portion"). Such policies may:
- i) Establish a method for determining the power supply portion of capital credited to each Patron for each applicable fiscal year;
 - ii) Provide for separate identification on the Cooperative's books of the power supply portion of capital credited to the Patrons;
 - iii) Provide for appropriate notifications to Patrons with respect to the power supply portion of capital credited to their accounts; and

- iv) Preclude a general retirement of the power supply portion of capital credited to Patrons for any fiscal year prior to the general retirement of other capital credited to Patrons for the same year of any capital credited to Patrons for any prior fiscal year.

8.04-03 Conditions of Furnishing Property, Failure to Claim Property: All capital credits, Membership fees, deposits, and any other property furnished or paid by a Patron to the Cooperative (including all such property furnished prior to the adoption of this Bylaw) are furnished or paid upon the conditions that the Patron shall keep the Cooperative informed of the Patron's current mailing address and that the Patron may assign or give such property outright to the Cooperative. Any other provision of the governing documents, notwithstanding if any Patron fails to claim any cash retirement of capital credits or other payment from the Cooperative within three (3) years after payment of the same has been made available to the Patron by notice or check mailed to the Patron's last address furnished by the Patron to the Cooperative, such failure shall constitute an assignment and contribution by such Patron of such property to the Cooperative. Any contribution made pursuant to this Bylaw Provision shall be considered a contribution of capital to the Cooperative and considered part of the "net savings" of the Cooperative, and none of the contributions made pursuant to this Bylaw Provision will be reallocated as excess margins to any of the Cooperative's former or current Patrons.

Prior to recording unclaimed property as "net savings" of the Cooperative, the Cooperative shall first give the following notice: no sooner than three (3) years after such notice or check was originally mailed to the Patron, the Cooperative shall further attempt to notify the Patron that, if the Patron does not claim such property within six (6) months of the date of first publication as hereafter provided, such failure shall constitute an assignment and contribution by the Patron of the capital credits payment or other refund, to the Cooperative and such credits or refunds shall be considered an assignment and contribution of capital to the Cooperative and considered part of the "net savings" of the Cooperative. None of the contributions made pursuant to this Bylaw Provision will be reallocated as excess margins to any of the Cooperative's former or current Patrons.

In any instance in which the laws of the State of Colorado suggest the form or manner of such notice, said form or manner shall be utilized by the Cooperative. In those instances, in which the laws of Colorado do not suggest the form or manner that may be used for such notice, said notice shall be posted on the Cooperative's website annually for a period not less than three (3) months.

ARTICLE 9.00 DISPOSITION OF PROPERTY

9.01 Sale, Lease, or Other Disposal: The Cooperative may not sell, lease, or otherwise dispose of all or any substantial portion of its property unless such sale, lease, or other disposition is authorized at a meeting of the Members thereof by the affirmative vote, in person or by mail, of a two-thirds (2/3) majority of all the Members of the Cooperative. This means that two-thirds (2/3) of all Members must cast an affirmative vote for such action. The provisions of this section shall not apply to the following actions which the Board shall have full power and authority to authorize without a vote of the Membership: encumbering the Cooperative's assets to secure the

Cooperative's indebtedness or the transferring or exchanging of some of the Cooperative's facilities or service territories to neighboring public utilities for valid public utility purposes. Any such transfer or exchange which has been approved by the Colorado Public Utilities Commission shall be conclusively deemed a valid public purpose.

9.02 Merger or Acquisition: In the situation where another Person or entity desires to acquire or merge with the Cooperative, and makes an offer therefor, such offer or proposal shall be considered by the Board pursuant to rules, regulations, and policies established by the Board for the consideration of such offers or proposals. Such offer or proposal not meeting the criteria of those rules, regulations, and policies shall be rejected by the Board, and such rejection shall conclusively be considered to be within the business judgement of the Board. Should the Board conclude the offer or proposal does ~~not~~ meet the criteria, then the Board may recommend to the Mmembers that they vote on the offer or proposal. Any such vote, be it by recommendation of the Board or by petition of Mmembers in compliance with the Bylaws, shall require that at least ninety percent (90%) of all Mmembers cast votes in the merger election, and that more than seventy-four percent (74%) of those votes must vote affirmatively in favor of the merger or acquisition, such that the resulting amount of Mmembers voting affirmatively shall be at least two-thirds (2/3) of the Cooperative's Mmembership.

ARTICLE 10.00 AMENDMENTS

10.01 By Members: The Bylaws of the Cooperative may be altered, amended, or repealed by the Mmembers at any regular or special meeting, provided the notice of any such meeting contains a copy of the proposed alterations, amendment, or repeal. Any group of Members constituting fifty (50)one hundred (100) -or more Mmembers may file a written petition with the Board, not less than sixty (60) days prior to the meeting of the Mmembers, setting forth proposed alterations, amendment, or repeal of the Bylaws. Upon a finding by the Board that said proposed alterations, amendments, or repeal are not in conflict with state law, the Cooperative's Articles of Incorporation and Bylaws (except for the Bylaws to be amended), the proposed alterations, amendment, or repeal shall be included in the notice of the meeting of Mmembers.

10.02 By Board: The Bylaws of the Cooperative may also be altered, amended, or repealed by the Board at any regular or special meeting of said Board provided that ~~written~~ notice of the proposed alterations, amendment, or repeal shall be sent by electronic mail to each Member at the electronic mail address provided to the Cooperative by the Member and/or mailed to each member, at the member's last known address not less than thirty (30) days before the date of such meeting. At any time prior to the date of such meeting, the lesser of five percent (5%) or fifty (50)one hundred (100) or more Mmembers may file a written petition with the Board in protest of the proposed alterations, amendment, or repeal of the Bylaws and said alterations, amendments, or repeal shall thereupon be of no validity unless approved by the Mmembers of the Cooperative as heretofore provided.

ARTICLE 11.00 MISCELLANEOUS

11.01 Waiver of Notice: Any Member or Director may waive, in writing, any notice of meetings required to be given by these Bylaws.

11.02 Fiscal Year: The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

11.03 Membership in Other Organizations: The Cooperative may become a member of any corporation or organization engaged in, related to, or furthering the cause of the business of the Cooperative.

11.04 Conduct of Meetings: The Chairman may make rulings concerning the conduct of meetings and the order of business and shall use the current edition of *Robert's Rules of Order*, newly revised, except as they may conflict with the Governing Documents. The Chairman may delegate such authority to a parliamentarian.

11.05 Limitation of Liability: No Person shall be liable to the Cooperative for any loss or damage suffered by it on account of any action taken or omitted to be taken by that Person as Director, officer, agent, or employee in good faith if that Person:

- a) Relied upon financial statements of the Cooperative represented to him or her to be correct by the officer, agent, or employee of the Cooperative having charge of its books of account or stated in a written report by an independent public or certified public accountant to fairly reflect the financial condition of the Cooperative, or if that Person considered the assets of the Cooperative to be approximately their book value; or
- b) Relied upon the advice of legal counsel for the Cooperative.

11.06 Indemnification: The Cooperative shall indemnify, as hereafter provided, any Person against any liability or claim for liability, as well as expenses incurred, when the claim is made because that Person is or was a Director, officer, agent, fiduciary, or employee of the Cooperative or any affiliated organization. The indemnification shall be pursuant to the terms of the Colorado Revised Non-Profit Corporation Act, as the same may be amended. Further, the Cooperative may purchase and maintain insurance on behalf of a Person who is or was a Director, officer, agent, fiduciary, or employee of the non-profit Cooperative, or who, while a Director, officer, agent, fiduciary, or employee of the Cooperative, is or was serving at the request of the Cooperative as a Director, officer, partner, member, manager, trustee, agent, fiduciary, or employee of another domestic or foreign corporation, non-profit corporation, or other Person or of an employee benefit plan, against liability asserted against or incurred by the Person in that capacity or arising from the Person's status as a Director, officer, agent, fiduciary, or employee, whether or not the non-profit corporation would have power to indemnify the Person against the same liability under §§ 7-129-102, 7-129-103, or 7-129-107, C.R.S., as amended. Any such insurance may be procured from any insurance company designated by the Board whether such insurance company is formed under the laws of this state or any other jurisdiction of the United States or elsewhere, including any insurance company in which the Cooperative has an equity or any other interest through stock ownership or otherwise.

11.07 General Interpretive Provisions: Within these Bylaws as currently existing or as later amended, unless otherwise provided or unless the context requires otherwise;:

- a) The words and phrases used in these Bylaws have their customary and ordinary meaning;
- b) The singular use of any word includes the plural use, and the plural use of any word includes the singular use;
- c) The masculine use of any word includes the feminine and neutral uses, the feminine use of any word includes the masculine and neutral uses, and the neutral use of any word includes the masculine and feminine uses;
- d) The present tense of any word includes the past and future tenses, and the future tense of any word includes the present tense; and
- e) The words “shall” or “must” indicate a mandatory action or requirement, and the word “may” indicates a permissive action or requirement.

11.08 Notice: In these Bylaws:

- a) Notice Type – Unless otherwise provided in these Bylaws, notice may be:
 - i. Oral or written; and
 - ii. Communicated:
 - A. In person;
 - B. By telephone, ~~telegraph, teletype, facsimile~~, electronic communication, or other form of ~~wire~~ electronic or wireless communication;
 - C. By mail or private carrier; ~~or~~
 - D. If the above-listed forms of communicating notice are impractical, then by newspaper of general circulation in the area where published, or radio, television, or other form of public broadcast communication;:
 - E. If addressed s, or delivered, to an mailing address or electronic address shown in the books and records of the Cooperative, then a written notice or report delivered as part of a newsletter, magazine, or other publication regularly sent to Mmembers constitutes a ~~written~~ notice or report to all Mmembers having the same shown in the books and records of the Cooperative.:
 - 1) ~~Residing at the address; or~~
 - 2) ~~Having the same shown in the books and records of the Cooperative.~~
- b) Notice Effective Date —: If communicated in a comprehensible manner, then unless otherwise provided in the Bylaws:
 - i. Oral notice is effective when communicated;
 - ii. Written notice is effective when mailed by First Class United States mail or by electronic mail and correctly addressed to a Member if addressed to the Member’s mailing or electronic address shown in the books and records of the Cooperative.

11.09 Governing Law: These Bylaws must be governed by, and interpreted under, the laws of the State of Colorado.

11.10 Titles and Headings: All titles and headings of Bylaw articles, sections, and subsections are for convenience and reference only, and do not affect the interpretation of any Bylaw article, section, or subsection.

11.11 Partial Invalidity: When reasonably possible, every Bylaw article, section, subsection, paragraph, sentence, clause, or provision (collectively, “Bylaw Provision”) must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of any Bylaw Provision by any entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the Cooperative and Mmembers, does not invalidate the remaining Bylaw Provisions.

11.12 Cumulative Remedies: The rights and remedies provided in these Bylaws are cumulative. The Cooperative or any Mmember asserting any right or remedy provided in these Bylaws does not preclude the Cooperative or Mmember from asserting other rights or remedies provided in these Bylaws or under the state law.

11.13 Entire Agreement: Between the Cooperative and any Mmember, the Governing Documents:

- a) Constitute the entire agreement; and
- b) Supersede and replace any prior or contemporaneous oral or written communication or representation.

11.14 Successors and Assigns: To the extent allowed by state law:

- a) The duties, obligations, and liabilities imposed upon the Cooperative or any Mmember by these Bylaws are binding upon the successors and assigns of the Cooperative or Mmember; and
- b) The rights granted to the Cooperative by these Bylaws inure to the benefit of the Cooperative’s successors and assigns.

The binding nature of the duties, obligations, and liabilities imposed by these Bylaws upon the successors and assigns of the Cooperative and any Mmember does not relieve the Cooperative or Mmember of the duties, obligations, and liabilities imposed by these Bylaws upon the Cooperative or Mmember.

11.15 Waiver: The failure of the Cooperative to assert any right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

11.16 Lack of Notice: To the extent allowed by state law and the articles, the failure of any Mmember or Director to receive notice of any meeting, action, or vote does not affect, or invalidate, any action or vote taken by the Mmembers or Board.

11.17 Effective Date: These Bylaws have been properly approved as set forth herein, shall be effective as of ~~July 25, 2018~~, and shall be applied on a prospective and not retrospective basis.

Revised by the Board ~~July 25, 2018~~, pursuant to Article 10, Section 10.02 of these Bylaws in effect prior thereto.