

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 of the Members of the Cooperative. This means that two thirds (2/3) of all of the 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 judgment of the Board. Should the Board conclude the offer or proposal does meet the criteria, then the Board may recommend to the Members that they vote on the offer or proposal. Any such vote, be it by recommendation of the Board or by petition of Members in compliance with these Bylaws, shall require that at least ninety percent (90%) of all Members cast votes in the 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 Members voting affirmatively shall be at least two-thirds (2/3) of the Cooperative’s membership.

ARTICLE 10.00	AMENDMENTS
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10.01	By Members: The Bylaws of the Cooperative may be altered, amended, or repealed by the Members at any regular or special meeting, provided the notice of any such meeting contains a copy of the proposed alterations, amendment, or repeal. Any fifty (50) or more Members may file a written petition with the Board, not less than sixty (60) days prior to the meeting of the Members, setting forth proposed alterations, amendment, or repeal of the Bylaws. Upon a finding by the Board that said proposed alterations, amendment, or repeal are not in conflict with 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 Members.
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 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) or more Members may file a written petition with the Board in protest of the proposed alterations, amendments, or repeal of the Bylaws and said alterations, amendments, or repeal shall thereupon be of no validity unless approved by the Members of the Cooperative as heretofore provided.

ARTICLE 11.00	MISCELLANEOUS
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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 President 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 President 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: <ul style="list-style-type: none"> (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; <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (a) Notice Type. Unless otherwise provided in these Bylaws, notice may be: <ul style="list-style-type: none"> (i) Oral or written, and (ii) Communicated:

- a. In person;
- b. By telephone, telegraph, teletype, facsimile, electronic communication, or other form of wire 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.

If addressed, or delivered, to an 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 Members constitutes a written notice or report to all Members:

- (i) Residing at the address; or
 - (ii) Having the same address shown in the books and records of the Cooperative.
- (b) Notice Effective Date. If communicated in a comprehensible manner, then unless otherwise provided in these Bylaws:
- (i) Oral notice is effective when communicated; and
 - (ii) Written notice is effective upon the earliest of:
 - a. When received;
 - b. With the postmark evidencing deposit in the United States Mail, if correctly addressed and:
 - (1) Mailed with first class postage affixed, then five (5) days after deposit in the United States Mail; or
 - (2) Mailed with other than first class, registered, or certified postage affixed, then thirty (30) days after deposit in the United States Mail; or
 - c. If sent by registered or certified mail, return receipt requested, and if the return receipt is signed by, or on behalf of, the addressee, then on the date indicated on the return receipt; or
 - d. If sent by electronic means, then upon successful transmission thereof.

Written notice is correctly addressed to a Member if addressed to the Member’s 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 sub-sections are for convenience and reference only, and do not affect the interpretation of any bylaw article, section, or sub-section.
11.11	Partial Invalidity: When reasonably possible, every bylaw article, section, sub-section, 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 Cooperative and Members, 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 Member asserting any right or remedy provided in these Bylaws does not preclude the Cooperative or Member from asserting other rights or remedies provided in these Bylaws or under the law.
11.13	Entire Agreement: Between the Cooperative and any Member, the Governing Documents: <ul style="list-style-type: none"> (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 Law: <ul style="list-style-type: none"> (a) The duties, obligations, and liabilities imposed upon the Cooperative or any Member by these Bylaws are binding upon the successors and assigns of the Cooperative or Member; 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 Member does not relieve the Cooperative or Member of the duties, obligations, and liabilities imposed by these Bylaws upon the Cooperative or Member.
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 Law and the Articles, the failure of any Member or director to receive notice of any Meeting, action, or vote does not affect, or invalidate, any action or vote taken by the Members or Board.

Revised by the Board December 19, 2008, pursuant to Article 10.02 of these Bylaws in effect prior thereto.

BYLAWS OF UNITED POWER, INC. (HEREAFTER “COOPERATIVE”)

ARTICLE 1.00	DEFINITIONS
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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, its Members, and its Patrons are (collectively hereinafter referred to as the “Governing Documents”): <ul style="list-style-type: none"> (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 the same may be from time to time implemented or revised. (e) The Agreement for Electric Service and Cooperative Membership; and (f) Such other documents promulgated by the Board of directors, or by a vote of the Members, 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	Member: A Member is a Patron meeting the qualifications set forth in Article 2 below.
1.01.03	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 such as a corporation, partnership, trust, estate, and governmental bodies or entities.
1.01.04	Patron: A Patron is any person who uses or has used the Cooperative’s services.

ARTICLE 2.00	MEMBERS AND PATRONS
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2.01	Membership: Unless the person disclaims membership at the outset, a person shall become a Member in the Cooperative by: <ul style="list-style-type: none"> (a) Using or requesting or agreeing to purchase from the Cooperative electric energy as hereinafter specified; 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 of Directors (“Board”) (a member of the Board shall be hereinafter referred to as a “director”). <p>Thereafter, such person shall be a Member of the Cooperative without further act unless the Board determines that the applicant is unable or unwilling to meet the requirements of membership.</p>
2.02	Contract of Member or Patron: All Members and Patrons of the Cooperative, by conducting business with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and these Bylaws shall constitute and be a contract between the Cooperative and each Member or Patron, binding both them and the Cooperative as fully as though each Member or Patron 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 a Member.
2.03	Denial of Membership or Patron Status: The Cooperative may deny Membership or Patron status to any person who fails to comply with any provision of the Governing Documents.
2.04	Membership Fee: There shall be no fee charged to become a Member of the Cooperative.
2.05	Membership Records: Membership in the Cooperative shall be established on the records of the Cooperative.
2.06	One Membership: No person may own an interest in more than one membership in the Cooperative, regardless of the number of service connections that any such person may have.
2.07	Joint Membership: Two or more persons may jointly own a single membership as joint tenants so long as all such persons meet the qualifications for membership pursuant to these Bylaws. Such membership shall be a single membership, and the rights of that single membership may be exercised by any one of the joint owners. Without limiting the generality of the foregoing, the following rules shall apply to a joint membership. The membership has only one vote. The vote of any one of the owners shall constitute the one joint vote. The presence of any one owner shall constitute the presence of all at any meeting and shall constitute a joint waiver of notice of the meeting. A signed waiver of notice by one shall constitute a waiver of all owners. Notice to one shall constitute notice to all owners. Expulsion or withdrawal of one shall terminate the joint membership. Only one of such joint owners may be elected or appointed as an officer or Board member.
2.08	Purchase of Electric Energy: Each Member or 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 or 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 or Patrons as capital, and each Member or 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.
2.09	Non-Liability for Debts of the Cooperative: The private property of the Members shall not be subject to the payment of and no Member shall be individually responsible for Cooperative debts to any extent whatsoever.
2.10	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.
2.11	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	Termination of Membership: Upon the death, cessation of existence, expulsion, 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 certificate 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	MEETINGS OF MEMBERS
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3.01	Annual Meeting: The annual meeting of the Members shall be held before May 1 st each year on a date and at a place fixed by the Board within one of the counties in which the Cooperative serves. The meeting shall be for the purpose of electing directors, considering and approving reports for the previous fiscal year, and transacting such other business as may properly come before the meeting.
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 at any place where an annual meeting may be held. 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 stating the place, day, and hour of the meeting shall also be given to each Member not less than thirty (30) days before the date of such meeting, as provided in 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 postage prepaid in the United States mail, addressed to the member at the address given on the records of the Cooperative. Failure of any Member to receive notice of an annual or special meeting of the Members mailed to the address on the Cooperative books shall not invalidate any action, which may be taken by the Members at any such meeting. Any Member may waive, in writing, any notice.
3.04	Fixing Record Date: For the purposes of determining Members entitled to notice of, or to vote at any meeting of Members, 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 date 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 Committee, Parliamentarian: The Board may appoint election and credentials, committee or committees, to rule upon all questions that may arise concerning any election of the Members, to count 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 within three (3) business days following the adjournment of the meeting. The Board may appoint a parliamentarian, who need not be a Member, to rule on all procedural matters.
3.06	Quorum: The lesser of five percent (5%) or fifty (50) Members present in person shall constitute a quorum for the transaction of all business except as otherwise provided in these Bylaws. If less than a quorum is present at any meeting of the Members, a majority of those present in person 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 Member shall be entitled to only one (1) vote, which cannot be divided, upon each matter submitted to a vote of the Members. At all meetings of the Members at which a quorum is present, all questions shall be decided by a vote of a majority of the Members voting thereon in person or by mail ballots provided by the Cooperative, except as otherwise provided by the Governing Documents. To be valid, a mail ballot must be received in proper form at least the day prior to the scheduled meeting. “Proper form” means that form designated by the Cooperative from time to time and set forth on any notice (or enclosure mailed along with any notice) given by the Cooperative. Registration of the Member at the meeting shall revoke any prior mail ballot.
3.08	Proxies and Cumulative Voting: Proxy and cumulative voting are prohibited.
3.09	Order of Business: The order of business at the annual meeting of the Members, and so far as possible at all other meetings of the Members, shall be essentially as follows: <ul style="list-style-type: none"> (a) Report on the number of Members present in person in order to determine the existence of a quorum. (b) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be. (c) Reading of unapproved minutes of previous meetings of the Members and the taking of necessary action thereon. (d) Election of directors. (e) Presentation and consideration of, and acting upon, reports of officers, directors, and committees. (f) Unfinished business. (g) New business. (h) Adjournment.

ARTICLE 4.00 DIRECTORS

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 Members 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: <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>

4.03 Qualifications: To be eligible to become or remain a director, the person shall: (a) be a Member of the Cooperative; (b) 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; (c) be able to actively participate in the management of the business and affairs of the Cooperative; (d) 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; and (e) not have had a judgment of conviction entered against such 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 judgment 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. 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.

For purposes of Section 4.03(b), a human being who is not otherwise a Member and who is an owner of a legal entity which is a Member qualifies as a director if that legal entity designates him or her in writing as its representative so long as he or she otherwise meets the requirements hereof.

Any one person, designated by the 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 (a) and (b) above. Such person would be eligible to become a director in the district with the most contiguity with the municipality.

4.04 Term Election: The term of each director shall be three (3) years, or until his or her successor has been elected. At each annual meeting held, one (1) director shall be elected by ballot from each district in which the 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. In the case of a tie vote, the winner shall be selected by the toss of a coin to be performed by the chairperson of any election and credentials committee appointed by the Board and, in the absence of such a person, by the current President of the Board. The term of office of all directors shall be subject to the provisions of these Bylaws.

4.05 Nominations: 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 not less than sixty (60) 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 at the principal office of the Cooperative at least sixty (60) days before the meeting. In the event there are no candidates by petition for a vacant seat, the Board may, at its sole discretion, appoint a nomination committee to identify one (1) or more candidates to run for the vacant seat. The committee on nominations shall consist of not less than five (5) nor more than eleven (11) Members who shall be selected from different areas of the Cooperative so as to give equitable representation to the Members of the Cooperative. No employee, officer, or member of the Board shall be appointed a member of such committee. The committee shall prepare and post a list of nominations for directors by director district at the principal office of the Cooperative at least forty-five (45) days before the meeting. The Board shall include with the notice of the meeting a listing of director candidates to be elected and nominated by district and in alphabetical order. 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 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 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 15 days prior to the deadline for petition, said vacancy shall be filled by vote of the membership, with the committee nominating candidates and the membership being entitled to petition for nomination for that district in the manner provided in Section 4.05.

4.07 Compensation: Directors as such shall not receive any salary for their services, but by Board resolution 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 exercise any powers which may be necessary, convenient, or appropriate to accomplish the purpose for which the Cooperative is organized. In addition, the Cooperative may, at its expense, purchase insurance (liability, life, medical, and dental) and necessary office equipment for its directors. No director shall receive compensation for serving the Cooperative in any other capacity, 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. "Close relative" means a person who is related by a degree of consanguinity or affinity to the third degree, namely spouse, child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, aunt, uncle, nephew, or niece, by blood or in-law.

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

4.09 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.

4.10 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-month period.

4.11 Removal of Directors: A director may be removed only in accordance with this section.

4.11.01 Removal by Board: If the Board determines, after giving the affected Board Member notice and opportunity to be heard, that a Board member does not meet the qualifications set forth in Section 4.03, the Board shall promptly remove such Board member 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 Board member.

4.11.02 Removals: A director may be removed by the Members only for cause in accordance with the following procedures. As used herein "cause" means malfeasance, misfeasance, or nonfeasance adversely affecting the Cooperative's interest; "cause" does not mean the good faith, discretionary exercise of business judgment. To initiate removal proceedings, Members may file, at the principal office of the Cooperative, a written petition stating alleged cause(s) for removing a director, which petition must be subscribed by at least ten percent (10%) of the 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 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 Members voting if that voting majority is equal to at least ten percent (10%) of all Members. 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. Members signing the petition(s) shall have the same opportunity. The Board shall include in the mailing of notice and ballots to the Members a statement, prepared by the petitioners, of why each affected director 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 Section 4.06 of these Bylaws, provided, however, that any director removed may not be appointed by the Board, and provided further that if all of the Board is removed, 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.

ARTICLE 5.00 MEETINGS OF DIRECTORS

5.01 Regular Meetings: At least one but not more than two (2) regular meetings of the Board shall be held each month within the service area of the Cooperative at such time and place as the Board may provide by motion. Such regular meetings may be held without notice to the Board members other than such motion fixing the time thereof.

5.02 Special Meetings. Notice: Special meetings of the Board may be called by the President 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, place, and purpose of any special meeting of the Board shall be given to each director at least ten (10) days prior thereto, as provided in Article 11.08 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 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 Members. 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 regular 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 President, Vice-President, Secretary, Treasurer, and such other 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 Members. 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 Members 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 judgment 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 President: The President shall:

- 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;
- Sign 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
- In general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

6.06 Vice-President: In the absence of the President or in the event of his or her inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, he or she shall have all the powers of and be subject to all the restrictions upon the President 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:

- Keep the minutes of meetings of the Members and the Board in one or more books provided for that purpose;
- See that all notices are duly given in accordance with these Bylaws or as required by law;
- Safely keep the corporate records and the seal of the Cooperative and affix the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws is required by law,

or is necessary to the business of the Cooperative;

- Keep a current register of the address of each Member which shall be furnished to the Cooperative by such Member;
- Have general charge of the books of the Cooperative in which a record of the Members is kept.
- 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

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:

- Have custody of all funds and securities of the Cooperative;
- 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
- 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 Chief Executive Officer: The Board may appoint a Chief Executive Officer who may be, but who shall not be required to be, a Member of the Cooperative. The 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 for the custody of any of its funds or property shall be bonded 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 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 President and Treasurer of the Cooperative shall submit reports at each annual meeting of the Members 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 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 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.

8.02 Patronage Capital in Connection with Furnishing Electric Energy:

- 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 furnishing 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 – 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.
- All other amounts received by the Cooperative shall, insofar as permitted by law, be:
 - used to offset any losses incurred during the current or any prior fiscal year;
 - allocated as capital credits to Patrons in the same manner as the Cooperative allocates capital credits to the accounts of Patrons; or
 - used by the Cooperative as permanent, non-allocated capital.
- 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 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.

- 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 addresses in order that the Cooperative may 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 the 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 a capital credit 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 law, together with interest thereon at the Colorado legal rate accruing on judgments 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 purchase electric energy from the Cooperative, 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 8.02(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, a capital credit remains, and said credit remains on the books of the Cooperative for three (3) years, the amount of the credit shall be deemed unclaimed, and the procedures of Article 8.03 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:

- establish a method for determining the power supply portion of capital credited to each Patron for each applicable fiscal year,
- provide for separate identification on the Cooperative's books of the power supply portion of capital credited to the Patrons,
- provide for appropriate notifications to Patrons with respect to the power supply portion of capital credited to their accounts, and
- 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 or of any capital credited to Patrons for any prior fiscal year.

8.03 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.