BYLAWS

HOLY CROSS ELECTRIC ASSOCIATION, INC./HOLY CROSS ENERGY

Holy Cross Electric Association, Inc. is also legally known by the name Holy Cross Energy (herein collectively the “Association” or “Cooperative”). Holy Cross Energy is committed to providing its members with the best possible services at a reasonable and competitive cost consistent with sound business and environmental practices.

The Association is a cooperative association organized (in 1939) and existing under the laws of the State of Colorado.

BYLAWS - REVISED January 2026

ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership. Any natural person, firm, partnership, limited liability company, corporation or body politic or subdivision thereof will become a member of Holy Cross Electric Association, Inc., (hereinafter called "Association") upon receipt of electric service from the Association.

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe.

Members and non-members agree to purchase from the Association electric energy as hereinafter specified, and agree to comply with and be bound by the Articles of Incorporation and Bylaws of this Association and any Rules and Regulations adopted by the Board of Directors (hereinafter called the “Board”).

No member may hold more than one membership in the Association and no such membership shall be sold, purchased, assigned, or otherwise transferred.

SECTION 2. Membership Certificates. Membership in the Association shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board.

SECTION 3. Membership Fees. No fees shall be charged or collected to become a member of this Association.

SECTION 4. Service to Non-members. The Association may serve non-members as well as members, all pursuant to the laws of the State of Colorado and the lawful rules and regulations of any agencies having jurisdiction over this Association. Non-members so served shall, collectively with members, be herein called "patrons." All patrons must, upon receipt of electric service from the Association, agree to comply with and be bound by the Articles of Incorporation and Bylaws of the Association and any rules and regulations adopted by the Board. Non-members shall be restricted from voting at meetings of members, from becoming a Director of the Association, from receiving capital credits, from sharing in the property of the Association upon dissolution, and shall be restricted in other ways expressly provided or implied by these Bylaws.

SECTION 5. Purchase of Electric Energy. Each patron shall, as soon as electric energy shall be available, net of self-generation on the premises, purchase from the Association all electric energy required for use on the premises specified in their application for service, and shall pay therefor at rates which shall from time to time be fixed by the Board, provided, however, that the Board may limit the amount of electric energy which the Association shall be required to furnish to any one patron. Each patron shall pay to the Association such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each patron shall also pay all amounts owed by such to the Association as and when the same shall become due and payable.

SECTION 6. Termination of Membership.

Upon the withdrawal, death, or cessation of existence of a member or joint member, or when a member ceases to receive electric service from the Association, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or the estate of such from any debts due the Association, and shall not act to forfeit the equity interest such member may have in the assets of the Association.

SECTION 7. Joint Members or Other Accounts.

A. Persons who qualify to be members may hold a joint membership in the Association. A joint membership may consist only of a legally married couple or a civil union couple, both as defined by law. Joint non-member accounts shall not be allowed. Sole proprietorship commercial accounts shall only be established in the name of one individual regardless of whether such account is a member or a non-member account.

Except as otherwise provided in these Bylaws, the term "joint member" has the same meaning as the term "member," and such a joint member has and enjoys the rights, benefits and privileges, and is subject to all the obligations, requirements, and liabilities, of being a member.

Such individual(s) shall be the person(s) entitled to receive all patronage capital refunds paid by the Association.

Individual account holders may not be solely responsible for payment for electric energy furnished to such individual's household by the Association. Any individual over the age of 18 years who resides with a residential patron, and who accepts electric service provided by the Association, shall be jointly and severally liable for payment therefor.

B. Effect of Joint Member Actions. For each Joint Membership:

1. Notice to any meeting provided to either joint member, or waiver of notice of any meeting signed by either joint member, constitutes notice or waiver of notice for both joint members comprising the joint membership.

2. The presence of either joint member at any meeting constitutes the presence of one member at the meeting, and waives notice of both joint members comprising the joint membership.

3. If only one joint member votes on any matter, then the vote binds the joint membership and constitutes one vote.

4. If only one joint member signs a document or otherwise acts, then the signature or action binds the joint membership.

5. A joint member otherwise qualified is eligible to serve as a member of the Board. If both joint members are otherwise qualified to serve as a Director, then either one joint member, but not both joint members simultaneously, is eligible to serve as a Director.

6. Upon the death of one joint member or the legal termination of the marriage between joint members or the termination of the civil union, the joint membership terminates and any subsequent use of electric service by either joint member shall be by a new application for service and membership.

7. be a member or joint member of the Association and can certify that they have received electric service from the Association for a consecutive period of at least two years immediately prior to the date of the Person's election as a Director.

SECTION 8. Bylaws Are a Contract. The patrons of the Association, by dealing with the Association, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Association and each patron, and both the Association and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions, except that non-member patrons shall never have the right to (a) be allocated and paid by credit to a capital account any capital credits; or to (b) receive retired and refunded capital credits, or allocations of any kind upon dissolution.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members. In the event of dissolution or liquidation of this Association, and after all outstanding indebtedness of the Association shall have been paid, other obligations of the Association shall be retired or refunded, on a pro rata basis, in the following order: (1) outstanding capital contributions, credits and membership fees, if any, within the classes, if any; (2) unrefunded other equity from prior net present value refunds within the classes, if any; and (3) payments on account of property rights shall be distributed among the members and former members in the proportion which the aggregate capital of each bears to the total allocated capital of all members during the 10 years next preceding the date of the filing of the certificate of dissolution.

SECTION 2. Non-liability for Debts of the Association. The Directors, officers, employees and members of the Association shall not, as such, be liable on its obligations.

ARTICLE III MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. A meeting of the members may, but is not required to, be held annually at such time as may be designated by the Board, for the purpose of receiving reports for the previous fiscal year and transacting such other business as may have been properly noticed prior to the meeting. An annual meeting of members may be held electronically or in person as determined by the Board at any place designated by the Board within the Colorado counties in which the Association provides electric service. If the annual meeting of members is held electronically, then the meeting location shall be deemed to be held at the principal office of the Association. Failure to hold an annual meeting shall not constitute a forfeiture or dissolution of the Association.

SECTION 2. Special Meetings. Special meetings of the members may be called by the Board, or by the Chair, or by a petition filed with the Association signed by 250 members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held in the same fashion as an annual meeting could be held, as

designated by the Board, and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Meetings of Members. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered by mail not less than 20 days nor more than 30 days before the date of the meeting, by or at the direction of the Secretary or any other officer, to each member. Members may only vote upon matters specifically described and presented in the notice of the meeting of either the annual meeting or the special meeting. Such notice shall be deemed delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the Association, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. Quorum. Five percent of the members, or 50 members present in person, whichever is less, shall be a quorum for the transaction of any lawful business at any in person annual or special meeting of the members. Votes by mail on any specific matter where authorized and directed by the Board, shall be counted in accordance with these Bylaws.

SECTION 5. Voting. Each member shall be entitled to one vote and no more upon each matter submitted to a vote at any in person or electronic meeting of the members. At all in person or electronic 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, except as otherwise provided by law, the Articles of Incorporation of the Association, or these Bylaws. Any vote of members on any issue submitted by the Board to the members by written mail in or electronic ballot shall be decided by a majority vote [or such higher amount as required by law, the Articles of Incorporation of the Association, or these Bylaws] if only two options are presented for a vote [*e.g.* Yes or No]. If more than two options are presented for a vote, then the option receiving the plurality vote shall be successful [except in the case where a higher amount is required by law, the Articles of Incorporation of the Association, or these Bylaws, then such higher amount shall be required]. Electronic voting for any election shall be allowed if authorized by law and by the Board of Directors.

At any in person or electronic meeting of the members at which any question has previously been submitted to a written mail in ballot, then a member may vote if:

A. the mail voting on such matter (except for election of Directors) is authorized by a resolution of the Board adopted prior to the meetings of members;
B. such a vote is in writing on forms provided by the Association; and
C. the mail ballot otherwise complies with the Rules established by the Board and the member has not previously voted a mail in ballot.

SECTION 6. Proxies and Cumulative Voting. Voting by proxy or cumulative voting is prohibited at any and all meetings of the members.

ARTICLE IV DIRECTORS

SECTION 1. General Powers. The business and affairs of the Association shall be directed by a Board of seven Directors which shall exercise all of the powers of the Association except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

SECTION 2. Director Qualifications. A Director or Director candidate must comply with this Bylaw.

A. Director Qualifications- General. To become and remain a Director, a Person must comply with the following general qualifications (“General Director Qualifications”):

1. be an individual;

2. have the capacity to enter legally binding contracts;

3. not have been previously removed as a Director;

4. while a Director, and before becoming a Director, not had a judgment of conviction entered against such individual or pled guilty, nolo contendere, or entered an “Alford Plea” to any felony or to any 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 of Directors warrant disqualification; and

5. except as otherwise provided by the Board for good cause, receive a Credentialed Cooperative Director designation, Director’s Certificate, or similar designation or certification from the National Rural Electric Cooperative Association within three years of becoming a Director;

6. except as otherwise provided by the Board for good cause, attend at least fivesixths of all Board Meetings during each 12 month period; and

7. be a member of and have received electric service from the Association for a consecutive period of at least two years immediately prior to the date of the Person’s election as a Director.

B. Director Qualifications- Membership. To become and remain a Director, an individual must comply with the following membership qualifications (“Membership Director Qualifications”):

1. while a Director and during the two years immediately before becoming a Director:

(a.) be an unsuspended member; and

(b.) permanently reside, and use electric energy provided by the Association, at a residence within the Director District from which the Director is nominated or appointed and elected.

C. Director Qualifications- Independence. To become and remain a Director, an individual must comply with the following independence qualifications (“Independence Director Qualifications”):

1. annually complete and sign an independence certification and disclosure form approved by the Board;

2. while a Director and during the five years immediately before becoming a Director, not be an employee of the Cooperative or an employee of an entity controlled by the Cooperative or in which the Cooperative owns a majority interest (“Cooperative Subsidiary”);

3. while a Director and during the one year immediately before becoming a Director, not be an employee of an entity in which the Cooperative is a member or owner ("Cooperative Affiliate");

4. while a Director and during the five years immediately before becoming a Director, not have been a Director, officer, employee, or agent of a union or other entity representing, or seeking to represent, Cooperative employees regarding the terms and conditions of employment with the Cooperative;

5. while a Director and during the one year immediately before becoming a Director, not receive or have a Close Relative that receives more than 10 percent of annual gross income, other than insurance or Director compensation (or retirement) income, directly or indirectly from the Cooperative, a Cooperative Subsidiary, a Cooperative Affiliate, or an employee of the Cooperative or a Cooperative Subsidiary;

6. while a Director, not be a Close Relative of a Cooperative Official, Director or Cooperative employee;

7. while a Director, not be employed by another Director, or be employed by, or receive more than 10 percent of annual gross income from, an entity for which another Director controls, owns more than 10 percent, or is a Director or officer; and

8. while a Director and during the one year immediately before becoming a Director, not be employed full time (more than 1,000 hours per year) by, control, own more than 10 percent of, serve as a Director or officer of, or receive more than 10 percent of annual gross income from an entity that:

   (a.) employs more than one Director; or

   (b.) receives more than 10 percent of its annual gross income directly or indirectly from the Cooperative or a Cooperative Subsidiary or Cooperative Affiliate.

D. Director Disqualification. After being elected, designated, or appointed, if a Director does not comply with all General Director Qualifications, Membership Director Qualifications, and Independence Director Qualifications (collectively, "Director Qualifications"), then, except as otherwise provided by the Board for good cause, the Board shall disqualify the Director and the individual is no longer a Director if:

   1. the Board notifies the Director in writing or electronically of the basis for, and provides the Director an opportunity to comment regarding, the Board's proposed disqualification; and

   2. within 10 days after the Board notifies the Director of the proposed disqualification, the Director neither complies with nor meets the Director Qualification.

If a majority of Directors authorized by these Bylaws complies with the Director Qualifications and approves a Board action, then the failure of a Director to comply with the Director Qualifications does not affect the Board action.

SECTION 3. Director Districts. Except as provided herein, the Holy Cross Board of Directors shall consist of seven Directors, who shall be elected from specified geographic districts.

The following shall constitute the three Director districts served by the Association, to wit:

A. The Western District shall be defined as and include Townships 6, 7, and 8 South, Ranges 90 through 96 West, generally described as the New Castle to Parachute area, and Townships 6 through 12 South, Ranges 87, 88 and 89 West, lying westerly of the Eagle County/Garfield County line extended to the south, generally described as the Glenwood Springs to Marble area. The Western District shall be represented by one Director.

B. The Northern District shall be defined as and include Townships 2 through 5 South, Ranges 87 and 88 West and Townships 2 through 6 South, Ranges 79 through 86 West, generally described as the Gypsum to Vail area. The Northern District shall be represented by four Directors.

C. The Southern District shall be defined as and include Townships 7 through 12 South, Ranges 82 through 87 West, lying easterly of the Eagle County/Garfield County line extended to the south, generally described as the Basalt to Aspen area. The Southern District shall be represented by two Directors.

The number and geographic boundaries of Director districts and the number of Directors accorded to each district shall be reviewed by the Board at least once every five years to ensure equitable representation for all members of the Association.

SECTION 4. Term of Office. Directors shall be elected annually, and the date of the election shall be determined by the Board of Directors on any day that is not later than July 1 of each calendar year, in the manner and numbers herein set out, by and from the membership, to serve for the periods hereinafter set out.

Directors shall be elected to fill vacancies caused by expiration of terms of office, for a term to expire at the annual election of Directors after the expiration of terms of the respective Director position or until their successors shall have been elected and shall have qualified.

The following Director seats, representing the following districts, shall be elected for terms as follows:

One Director seat in the Northern District shall be elected as of the date of the annual election of Directors in 2010 and every three years thereafter until 2022, and then every four years thereafter.

One Director seat in the Southern District shall be elected as of the date of the annual election of Directors in 2010 and every three years thereafter until 2022, and then every four years thereafter.

One Director seat in the Northern District shall be elected as of the date of the annual election of Directors in 2011 and every three years thereafter until 2023, and then every four years thereafter.

One Director seat in the Western District shall be elected as of the date of the annual election of Directors in 2011 and every three years thereafter until 2023, and then every four years thereafter.

One Director seat in the Southern District shall be elected as of the date of the annual election of Directors in 2012 and every three years thereafter until 2021, and then every four years thereafter.

One Director seat in the Northern District shall be elected as of the date of the annual election of Directors in 2012 and every three years thereafter until 2021, and then every four years thereafter.

One Director seat in the Northern District shall be elected as of the date of the annual election of Directors in 2012 and every three years thereafter until 2024, and then every four years thereafter.

No Director who is elected or appointed after January 1, 2025 shall be eligible to serve more than three terms. A Director elected or appointed prior to January 1, 2025 who has served three or more terms as of January 1, 2025 shall be eligible to serve one additional term following the expiration of that Director's current term. This limit on the term of office of a Director shall not include any of the time served as a Director filling any unexpired portion of a term that resulted from a vacancy occurring in the Board for any reason other than expiration of term.

SECTION 5. Nominations. Nominations for Directors shall be made only by petition and in conformance with the following:

A. Each petition shall be in writing and shall be signed by 15 or more members of the Association who reside in the district for which the Director seat nomination is made;

B. Each petition shall nominate one, and only one, candidate for a Director position to be filled by the election; and

C. Each petition shall be filed electronically or at the principal office of the Association at least 60 days before the date of the election.

In the event of any uncertainty or dispute, or upon inquiry by any candidate or nominee for the office of Director, as to the location within or without a district of the primary residence of any candidate or nominee the President and Chief Executive Officer shall make a written determination as to the proper location of such residence within or without a particular district. A nomination petition may be signed electronically by a member of the Association as permitted in the bylaws.

SECTION 6. Notice of Right to Nominate and Director Election. Not less than four months before the date of election of Directors, the Association shall post on its website and otherwise publicize

the following information:

That an election of Directors is to be held.

The date of such election.

The number of Directors to be elected.

The name of the district from which each Director is to be elected.

The boundary description of each such district as set forth in these Bylaws.

The date and time at which the nomination petition forms shall be available. Candidates for Director must use the official forms provided by the Association.

That nominations may be made only by petition signed by 15 or more members whose residence is within such district(s).

That each nominee must have the nominee's primary residence within the district of the Director seat for which the nominee is nominated.

That such nomination petitions must be filed electronically or at the principal office of the Association (giving address).

That such nomination petitions must be so filed on or before a certain date and time (giving date and time).

That nomination petition forms and information concerning legally required qualifications for prospective nominees and petition signers is available online and at the principal office of the Association (giving telephone number, email address and website address).

SECTION 7. Election. Directors shall be elected annually as provided in the bylaws, except that in the event no nominations have been timely and properly made by petition, the incumbents whose terms of office then expired shall continue in office until the expiration of the next term of the Director district of the incumbent, or until a successor shall have been elected and shall have qualified. If nominating petitions have been timely and properly made, then the nominee who receives the greatest number of votes for each Director position shall be elected. Electronic balloting is authorized for election of directors if authorized by law and by the Board of Directors.

SECTION 8. Voting. Voting for Directors shall be by members who have voted by mail or electronically if permitted by law. If a meeting of members is held at the same time as the election of Directors, then those members present in person may cast a ballot in the election. A member who has voted by mail [or electronically if permitted by law] shall not be entitled to vote at the meeting of members that is held at the same time as the election of Directors. If a Director election is conducted without a meeting of members, then ballots that are not mailed by the member may be received prior to the deadline for receipt of ballots at the principal office of the Association or at a location designated by the Board. Voting shall be closed at the time designated in the notice of the election of Directors, whereupon the counting of ballots shall commence. Counting of ballots can commence at any time prior to the deadline for receipt of ballots for the election of Directors.

SECTION 9. Ballots. In the event that nominating petitions have been properly made and timely filed, then the Association shall issue ballots, by mail or electronically, to members not less than twenty days prior to the date of the election. There shall be mailed a printed ballot and a return envelope containing a signature line by the voting member. Each member shall be instructed that if the member wishes to vote, the ballot shall be marked in accordance with instructions to be placed on each ballot. Such ballot shall then be mailed or delivered to the Association in the return envelope, which must be signed by the member. Return envelopes not signed by a member shall not be counted. The names of all nominees shall appear on the ballot. If a meeting of members is held at the same time as the election of Directors, then ballots shall be distributed to all members attending the meeting in person only if the member has not previously submitted a ballot.

In the event no nominating petitions have been properly made and timely filed, or in the event no contest has been created by nominating petitions properly made and timely filed, in either of which events the continuance in office of the incumbents or the election of the sole nominees is assured because no other nominations can be made, then, in order to save useless expense, the election of Directors shall automatically be dispensed with and the nominees shall be deemed elected on the date of the election.

Whenever voting on any matter other than the election of Directors has been authorized by the Board to include voting by mail, the balloting procedures hereinabove described shall generally be followed. The notice shall also contain an explanation of the issue(s) to be voted on which shall fairly and reasonably

present each side of such issue(s).

Whenever members shall vote on any issue, or for the election of Directors, only the votes of members who are of record on the books of the Association for 30 days or more prior to the date of the election and are in good standing shall be counted.

SECTION 10. Removal of Directors. Any Director may be removed for cause at any time by the members pursuant to the procedure specified in this section.

The members may bring charges requesting the removal of a Director, by filing a petition with the Association's Secretary in writing, specifying in detail the charges constituting the cause for removal. Such petition must be signed by at least 300 of the members.

No petition for removal shall specify charges against more than one Director. If the removal of more than one Director is requested, a separate petition for each Director sought to be removed must be filed.

The term “for cause” as used in this section is defined as malfeasance, misfeasance or nonfeasance adversely affecting the Association's interest. “Malfeasance” is the doing of an act which is wholly wrongful and/or unlawful. “Misfeasance” is the improper doing of an act which a person may lawfully do. “Nonfeasance” means the omission of an act which a person ought to do. “For cause” does not mean conduct or decisions made in good faith with a reasonable basis for believing that the action authorized was in the lawful and legitimate furtherance of the Association's business.

The Association's Secretary shall, upon receipt of a written petition signed by at least 300 of the Association's members, transmit such petition to the entire Board of Directors for consideration at the Board's next meeting at which a quorum is present.

The Directors present against whom no charges have been brought, if such shall constitute a quorum of all Directors, shall determine by majority vote if there be cause for removal. If they find that cause, as defined in this section, has been stated in such petition, the request for removal shall be presented to and voted on at the next regular or special meeting of the members. Such a meeting shall be held within 90 days of a finding of cause. If the Directors present shall be less than a quorum of all Directors, a determination as to cause shall be dispensed with, and the request for removal shall be referred to a vote of the members as hereinabove provided.

Written notice shall be given to all of the Association's members within 30 days from the time such determination is made, that cause, as defined in this section, has been stated or has not been stated against a Director in such petition.

The vote of a majority of the members voting thereon in person and, where authorized by resolution of the Board of Directors, by mail, is required to effect such removal.

In the event both the Chair and Vice Chair have had charges brought against them, then at any meeting of the members at which such charges are to be voted upon, the Board of Directors shall, by resolution, designate a parliamentarian to conduct that portion of the meeting at which charges are to be heard and voted upon.

The Director against whom such charges have been brought shall have an opportunity at the meeting of members to be heard in person, and/or by counsel, as to the charges against such Director. The persons bringing the charges against such Director shall have the same opportunity. Either the Director charged or any member(s) bringing the charges may have access to the Association's records of members prior to such meeting in order to disseminate information for or against the charges by mail.

Any vacancy in the Board of Directors created by such removal shall be filled in the manner specified in Article IV, Section 11, of these Bylaws.

SECTION 11. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Directors by the members, a vacancy occurring in the Board for reasons other than expiration of term, shall be filled by the affirmative vote of a majority of the remaining Directors for the unexpired portion of the term.

SECTION 12. Compensation. Directors shall not receive any salary for their services as such, except that the Board may by resolution authorize a fixed sum for each day or portion thereof spent on Association business, such as attendance at meetings, conferences and training programs or performing committee assignments when authorized by the Board. If authorized by the Board, Directors may also be reimbursed for expenses actually and necessarily incurred in carrying out such Association business. In addition, the Association may, at its expense, purchase insurance on and for its Directors.

SECTION 13. Close Relative. The term "Close Relative" means an individual who:

A. through blood, law, or marriage or civil union, is a spouse, child, stepchild, father, stepfather, mother, stepmother, brother, stepbrother, half-brother, sister, stepsister, halfsister, 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").

An individual qualified and elected, designated, or appointed to a position does not become a Close Relative while serving in the position because of a marriage, a civil union or legal action to which the individual was not a party. Provided that at the end of a Director's term of office, then the Director does become a Close Relative of the individual whose marriage, civil union or legal action created the relationship.

ARTICLE V BOARD MEETINGS AND DIRECTOR VOTING

SECTION 1. Regular Board Meetings. The Board shall regularly meet at the date, time, and location determined by the Board ("Regular Board Meeting").

SECTION 2. Special Board Meetings. The Board, the Chair, or at least three Directors may call a special meeting of the Board ("Special Board Meeting") by providing each Director at least 10 days' prior written, oral, or electronic notice indicating the date, time, and location and purpose of the Special Board Meeting.

SECTION 3. Conduct of Board Meetings. Except as otherwise provided in these Bylaws, a Regular Board Meeting or Special Board Meeting ("Board Meeting") must be:

A. held in any of the Colorado counties in which the Association provides electric service; and

B. conducted with absent Directors participating, and deemed present in person, through any means of communication by which all Directors participating in the Board Meeting may simultaneously hear each other during the Board Meeting; and

C. the location of the meeting shall be deemed to be the location of the meeting stated in the notice of the Board Meeting notwithstanding the actual location of the members of the Board who attend the Meeting.

If a Director Quorum is present at a Board Meeting, then:

A. in descending priority, the following Officers may preside at the Board Meeting: Chair, Vice Chair, Secretary, and Treasurer; and

B. if no Officer is present or desires to preside at a Board Meeting, then the Directors attending the Board Meeting must elect a Director to preside over the Board Meeting.

The Board may promulgate or approve rules, policies, and procedures regarding:

A. attendance at, participation in, or presentation during Board Meetings by Persons other than Directors;

B. the right to access, inspect, or copy minutes, records, or other documents relating to a Board Meeting by Persons other than Directors; or

C. the conduct of Board Meetings.

SECTION 4. Notice of Board Meeting; and Waiver of Notice by Directors. Written or electronic notice of the time, place and purpose of any regular or special meeting of the Board shall be delivered at least 10 days before the date set for the meeting to each Director either personally or by mail, or by electronic mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the Chair or the Directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at the Director's address as it appears on the records of the Association, with postage thereon prepaid.

In addition, notice of the time and place of a meeting of the Board of Directors and a copy of the agenda for such meeting shall be posted in every service office maintained by the Association at least 10 days before the meeting. The agenda shall specifically designate the issues or questions to be discussed, or the actions to be taken, at the meeting. Copies of the agenda shall be available at each service office for members and consumers.

The date, time, location and agenda of every meeting of the Board of Directors shall be posted on the Association's web site no less than 10 days before the meeting in the case of regular meetings and as soon as the meeting is scheduled in the case of special meetings. If a meeting is postponed or cancelled, notice of the postponement or cancellation shall immediately be posted on the web site.

At any time before, during, or after a Board Meeting, a Director may waive notice of a Board Meeting by delivering to the Association a written or electronic waiver of notice signed by the Director and later filed with the Board Meeting minutes or the Cooperative's records. A Director's attendance at, or participation in, a Board Meeting waives notice of the Board Meeting and any matter considered at the Board Meeting, unless the Director:

A. at the beginning of the Board Meeting, or promptly upon arrival objects to lack of, or defective, notice of the Board Meeting or a matter being considered at the Board Meeting; and

B. does not vote for, or assent to, an objected matter.

SECTION 5. Board Action by Written Consent. The Board may not act without a Board Meeting.

SECTION 6. Director Quorum and Voting. A quorum of Directors is a majority of the Directors in office immediately before a Board Meeting begins ("Director Quorum"). If a Director Quorum is present when a matter is voted or acted upon, and unless the vote of a greater number of Directors is required, then the affirmative vote of a majority of Directors present is the act of the Board. An interested Director is not counted in determining whether a Director Quorum is present to vote or act upon a matter in which the Director is interested. A Director may not vote by proxy. An agreement signed by Directors providing the manner in which a Director must vote is not valid. A Director may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Directors participating may hear each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting. No Director may participate in more than two Regular Board meetings electronically during any 12 consecutive months. However, any electronic Board meeting held by the Board shall not be counted for such electronic participation by any Board member. The Board may waive the limitation for electronic participation by a Board member who participates in any in-person Board meeting for good cause. Each Director shall vote affirmatively or negatively on each and every issue brought to a vote at any Board meeting. Abstention votes shall only be allowed in the event a Director shall have a genuine conflict of interest on any issue.

SECTION 7. – Committees. The Board may create a committee of the Board ("Board Committee") and appoint Directors to serve on the Board Committee. A Board Committee must consist of two or more Directors and serves at the Board's discretion. The Board may create a committee of the Members ("Member Committee") and appoint Members, including Directors, to serve on the Member Committee. The Board may appoint one or more Directors or Members, respectively, as alternate members of any Board or Member Committee to replace any absent or disqualified Committee member during the Committee member's absence or disqualification.

A. Creation and Appointment of Committees. Except as otherwise provided in these Bylaws, at least a majority of Directors currently in office must approve the: (1) creation of a Board Committee or Member Committee; (2) appointment of Directors to a Board Committee; and (3) appointment of members to a Member Committee.

B. Conduct of Committee Meetings. To the same extent as the Board and Directors, the Bylaws addressing Regular Board Meetings, Special Board Meetings, Conduct of Board Meetings, Waiver of Board Meeting Notice, Board Action by Written Consent, and Director Quorum and Voting apply to Board Committees and Directors serving on Board Committees, and to Member Committees and members serving on Member Committees.

C. Committee Authority. A Member Committee may act as specified by the Board, but may not exercise Board authority. Except as otherwise provided in this Bylaw, the Board may authorize a Board Committee to exercise Board authority. Although a Board Committee may recommend, a Board Committee may not act, to: (1) retire and pay Capital Credits; (2) approve the Cooperative's dissolution or merger, or the sale, pledge, or Transfer of all, or substantially all, Cooperative Assets; (3) elect, appoint, disqualify, or remove a Director, or fill a Board or Board Committee vacancy; or (4) adopt, amend, or repeal Bylaws.

SECTION 8. – Board Audit Committee. The Board shall have an audit committee that is directly responsible for overseeing the work of any registered public accounting firm employed by the Cooperative, including resolving disagreements between management and the auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related work, and each registered public accounting firm must report directly to the audit committee ("Board Audit Committee"). Each member of the Board Audit Committee: (1) must be a Director; and (2) other than in the capacity as a member, Director, or member of a Board Committee, must not accept any consulting, advisory, or other

compensatory fee from the Cooperative. All of the members of the Board shall be the Board Audit Committee unless the Board appoints less than all of its members to the Board Audit Committee.

The Board Audit Committee shall establish procedures for: (1) the receipt, retention, and treatment of complaints received by the Cooperative regarding accounting, internal accounting controls, or auditing matters; and (2) the confidential, anonymous submission by employees of the Cooperative of concerns regarding questionable accounting or auditing matters. The Board Audit Committee may engage independent counsel and other advisers, as it determines necessary to carry out its duties.

The Association shall provide for appropriate funding, as determined by the Board Audit Committee in its capacity as a committee of the Board, for compensating: (1) the registered public accounting firm employed by the Cooperative for the purpose of rendering or issuing an audit report; and (2) any advisers employed by the Board Audit Committee. The Board Audit Committee is a Board Committee.

SECTION 9. – Conflict of Interest Transaction. A conflict of interest transaction is a contract or transaction with the Cooperative in which a Director has a direct or indirect interest ("Conflict of Interest Transaction").

A. Indirect Interest. A Director has an indirect interest in a contract or transaction with the Cooperative if at least one party to the contract or transaction is another Entity: (1) in which the Director has a material or financial interest, or is a general partner; or (2) of which the Director is a director, officer, or trustee.

B. Approval of Conflict of Interest Transaction. Regardless of the presence or vote of a Director interested in a Conflict of Interest Transaction, a Conflict of Interest Transaction may be approved, and a Board Quorum or Member Quorum satisfied, if the material facts regarding the Conflict of Interest Transaction and the Director's interest, are:

1. disclosed or known to the Board or Board Committee, and a majority of more than one Director or Board Committee member with no interest in the Conflict of Interest Transaction votes in good faith to approve the Conflict of Interest Transaction; or

2. disclosed or known to the members, and a majority of members not voting under the control of a Director or Entity interested in the Conflict of Interest Transaction votes in good faith to approve the Conflict of Interest Transaction.

C. Fair Conflict of Interest Transaction. A Conflict of Interest Transaction that is approved pursuant to this Bylaw, or that is fair to the Cooperative when entered or approved pursuant to this Bylaw, is not, solely by reason of being a Conflict of Interest Transaction: (1) void or voidable; or (2) the basis for imposing liability on a Director interested in the Conflict of Interest Transaction.

ARTICLE VI OFFICERS

SECTION 1. Number. The officers of the Association shall be a Chair, Vice Chair, President, one or more Vice Presidents, Secretary, Treasurer and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The Chair, Vice Chair, Secretary and Treasurer shall be elected annually by and from the Board at the meeting of the Board held immediately after the annual meeting of the members. If the election of these officers shall not be held at such meeting, such election

shall be held as soon thereafter as may be convenient. No Director may serve more than four terms consecutively in any one officer position (Chair, Vice Chair, Secretary or Treasurer), not including partial terms resulting from a vacancy. Each of these officers shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his/her successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term. The appointment of an officer does not itself create contract rights.

SECTION 3. Removal of Officers by the Board. Any officer elected or appointed by the Board may be removed (as an officer, not as Director) by the Board whenever in its judgment the best interest of the Association will be served thereby. An officer's removal does not affect the officer's contract rights, if any, with the Association. An officer's resignation does not affect the Association's contract rights, if any, with the officer.

SECTION 4. Chair. The Chair shall:

A. Unless otherwise determined by the members or the Board, preside at all meetings of the members and the Board; and

B. In general perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board from time to time.

SECTION 5. Vice Chair. In the absence of the Chair, or in the event of the Chair's inability or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall also perform such other duties as from time to time may be assigned to the Vice Chair by the Board.

SECTION 6. Secretary. The Secretary shall be responsible for:

A. Keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;

B. Seeing that all notices are duly given in accordance with these Bylaws or as required by law;

C. The safekeeping of the corporate books and records and the seal of the Association and affixing the seal of the Association to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws;

D. Keeping a register of the names and mailing addresses of all members;

E. Keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Association containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Association, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and

F. In general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the Board.

SECTION 7. Treasurer. The Treasurer shall be responsible for:

A. Custody of all funds and securities of the Association;

B. The receipt of and the issuance of receipts for all monies due and payable to the Association and for the deposit of all such monies in the name of the Association in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and

C. The general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Board.

SECTION 8. President and Chief Executive Officer; Vice President(s). The Board may appoint and establish compensation for a President and Chief Executive Officer who may be, but who shall not be required to be, a member of the Association. The President and Chief Executive Officer shall perform such duties and shall exercise such authority as the Board may from time to time authorize by resolution, provided, however, that, in addition to the authority and duties specifically invested by the Board, the President and Chief Executive Officer shall, on a day-to-day basis, oversee, supervise and direct all business of any nature which may be lawfully conducted by the Association. The Board may specifically limit the duties and authority of the President and Chief Executive Officer. The President and Chief Executive Officer is empowered to sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized 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 Association, or shall be required by law to be otherwise signed or executed. The President and Chief Executive Officer may appoint and establish compensation for one or more Vice Presidents who may be, but who shall not be required to be, a member of the Association. Any Vice President shall perform such duties and shall exercise such authority as the President and Chief Executive Officer may from time to time authorize in writing.

SECTION 9. Bonds of Officers. The Treasurer and any other officer or agent of the Association 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 in its discretion may also require any other officer, agent or employee of the Association to be bonded in such amount and with such surety as it shall determine.

SECTION 10. Reports. The officers of the Association shall submit at each annual meeting of the members a report covering the business of the Association for the previous fiscal year. Such reports shall set forth the condition of the Association at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

SECTION 1. Interest or Dividends on Capital Prohibited. This Association shall at all times be operated as a non-profit cooperative pursuant to applicable legal requirements for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Association on any capital furnished by its members.

SECTION 2. Patronage Capital in Connection with the Sale of Electric Energy and Other Services. In the sale of electric energy and other services, the Association's operations will be so conducted that patrons, members and non-members alike, will through their patronage furnish capital for this Association.

A. Allocation to Members. In order to induce patronage and to assure that the Association will operate on a non-profit basis the Association is obligated to account, on a patronage basis, to all its members for net operating margins, being all amounts received and receivable from the sale of electric energy and other services in excess of the sum of:

1. Operating costs and expenses, including interest on debt service properly chargeable against the sale of electric energy and other services;

2. Amounts required to offset any losses incurred during the current or any prior fiscal year; and

3. Maintenance of reserves in accordance with Prudent Utility Practice.

All such amounts in excess of the above at the moment of receipt by the Association are received with the understanding that they are furnished as member capital. This Association is obligated to pay by credits the net amount of operating margins, to a capital account for each member, in proportion to the value or quantity of the Association's goods or services used, received or purchased by each member during the applicable fiscal year. The books and records of this Association shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Association shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital in the dollar amount so credited to its account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in accordance with a legal obligation to do so and the member had then furnished the Association corresponding amounts to capital.

Notwithstanding any provision of this Article VII, the amount to be credited to the capital of members on account of their patronage shall be not less than the greater of alternative minimum taxable income or regular taxable income resulting from their patronage as determined under Federal income tax law.

B. Allocation of Other Margins. Funds and amounts, other than operating margins, received by the Association that exceed the Association's costs and expenses may be:

1. Allocated as capital credits to members in the same manner as this Association allocates capital credits to members; or

2. Used by the Association as permanent, non-allocated capital.

C. Patronage Capital Retirement. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Association will not be impaired thereby, the capital then credited to accounts of members may be retired in full or in part. The Board shall determine the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. The Board, at its discretion, shall have the power at any time to accelerate the retirement on a discounted basis. The Association will maintain the discounted equity in the name of the member with the amount of equity interest they hold. Discounted equity does not entitle the holder to any dividends, interest, or voting rights. Discounted equity would be redeemed only upon dissolution or liquidation of the Association. The Board, at its discretion, shall have the power at any time upon the death of any member to retire capital credited to any such member immediately, upon such terms and conditions as the Board, acting under policies of general application may direct; provided, however, that the financial condition of the Association will not be impaired thereby.

SECTION 3. Patronage Capital Assignment and Contribution by Failure to Claim.

A. Capital credited to the account of each member shall be assignable only on the books of

the Association pursuant to written instruction from the assignor and only to successors in interest in the business or the physical assets of such member unless the Board, acting under policies of general application, shall determine otherwise.

B. Notwithstanding any other provision of the Association's Bylaws, membership agreement, or any other document, if any member (defined as member or former member), for whom the Association has a valid address, fails to claim any payment in retirement of capital credits from the Association, within three years after payment of the same has been made to the member, by check mailed to the member at the last address furnished by the member to the Association, then the failure shall be and shall constitutes an assignment and contribution by the member, of the capital credits payment or refund, to the Association ["unclaimed refund"]. Failure of a member to provide the Association with a valid address, at the time the payment of the capital credit retirement is mailed, shall also constitute an assignment and contribution of the unclaimed refund to the Association.

Failure to claim any payment within the meaning of this section shall include the failure of any member to cash any check mailed by the Association. The assignment and contribution of the unclaimed refund provided for under this section shall become effective, upon the expiration of three years from the date when the payment was mailed to the member, by the Association, or at such prior date as allowed by statute.

Any contribution of the unclaimed refund made under this section that has been made at any time can be used by the Association as directed by the Board of Directors.

C. The Board of Directors may establish administrative policies and dormancy or other service fees regarding any unclaimed refund paid to a member pursuant to this Article of the Bylaws.

SECTION 4. Capital Credits Defined. As used in these Bylaws, the term "capital credits" shall have the same meaning as the terms "patronage capital" and "member equity."

ARTICLE VIII DISPOSITION OF PROPERTY

SECTION 1. Two-Thirds Approval of Certain Transactions. Except pursuant to Order by a Court of competent jurisdiction in condemnation or eminent domain proceedings, and except for the sale of any electric generation asset of the Association, the Association may not sell or lease all or any substantial portion of its property unless such sale or lease is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Association, and unless the notice of such proposed sale or lease shall have been contained in the notice of the meeting; provided, however: (1) that notwithstanding anything herein contained, the Board of the Association, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Association, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Association; and (2) that no exchange of electric facilities in connection with an exchange of service territory, with another utility, shall be deemed to be a "sale or lease" as hereinabove used.

SECTION 2. Procedure. No sale or lease or other disposition of all or a substantial portion of the Association's assets to any other entity shall be authorized except in conformity with the following:

A. If the Board of Directors looks with favor upon any proposal for such sale or lease or other disposition, it shall first designate three independent appraisers, expert in the valuation of electric utilities, to render their individual opinions as to the value of the

Association with respect to such a sale or lease or other disposition and as to any other terms and conditions which should be considered.

B. If the Board of Directors, after receiving such appraisals (and other terms and conditions which are recommended, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other cooperative electric association, as defined in the Colorado statutes, corporately sited and operating in the state (which has not made such an offer for such sale or lease or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such cooperative electric associations, which notice shall be attached to a copy of the proposal which the Association has already received and a copy of the report(s) of the three appraisers. Such cooperative electric associations shall be given not less than 30 days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

C. If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof which meeting shall not be held sooner than 90 days after the giving of such notice to the members: PROVIDED, that consideration thereof by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is not held sooner than 90 days after the giving of such notice.

D. Not less than 30 days prior to the date of such special or annual meeting, the Association shall mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

E. In lieu of holding a meeting of members, or in addition to holding such a meeting, the Board of Directors, in order to obtain the participation of two-thirds of the members, may, by resolution, direct that the issue(s) involving the sale or lease of the Association's assets shall be submitted to the members to be voted on exclusively by mail ballot, or by a combination of votes taken at a meeting and by mail. In such event, the Board resolution shall specify the procedures for conducting the vote by mail, and otherwise, which, in general, shall follow the procedures described elsewhere in these Bylaws for various kinds of voting by members.

SECTION 3. Application. The foregoing provisions of Section 2 shall not apply to a sale or lease or other disposition to one or more other cooperative electric associations if the substantive effect thereof is to merge or consolidate with such other cooperative electric association(s). The foregoing provisions of Section 2 shall not apply to a sale or lease or other disposition of any electric generation asset of the Association only by a two-thirds majority of all of the Board Members.

SECTION 4. – Merger or Consolidation. The Association may consolidate or merge only with an Entity operating on a cooperative basis that provides electric energy (“Consolidate or Merge”). To Consolidate or Merge, the Association must comply with this Bylaw.

A. Board Approval. To Consolidate or Merge, a two-thirds majority of all of the Board Members must approve an agreement or plan to Consolidate or Merge (“Consolidation or Merger Agreement”) stating the:

1. terms and conditions of the Consolidation or Merger;
2. name of each Entity Consolidating or Merging with the Association;

3. name of the new or surviving Consolidated or Merged Entity ("New Entity");

4. manner and basis, if any, of converting memberships or ownership rights of each Consolidating or Merging Entity into memberships or ownership rights of, or payments from, the New Entity;

5. number of directors of the New Entity, which must equal or exceed seven;

6. date of the New Entity's annual meeting;

7. names of New Entity Directors who will serve until the New Entity's first annual meeting; and
8. other information required by Law.

B. Member Approval. To Consolidate or Merge:

1. after the Board approves a Consolidation or Merger Agreement, two-thirds of the Membership voting in person or by Mail Ballot must approve the Consolidation or Merger Agreement.

C. Notice. The Association shall notify Directors of a Board Meeting, and Members of a Member Meeting, at which Directors or Members may consider a Consolidation or Merger Agreement. This notice and any material soliciting Member approval of the Consolidation or Merger Agreement must contain, or be accompanied by, a summary or copy of the Consolidation or Merger Agreement and the New Entity's articles of incorporation and bylaws and any provision which would require Director or Member approval if contained in a proposed Articles or Bylaws Amendment.

D. Other Requirements. The New Entity Directors named in the Consolidation or Merger Agreement must sign and file articles of Consolidation or Merger in a manner, and stating the information, required by Law. The Association shall comply with all other requirements for Consolidation or Merger specified by Law.

SECTION 5. – Distribution of Cooperative Assets upon Dissolution. Upon the Association's dissolution: (1) the Association shall pay, satisfy, or discharge all the Association's debts, obligations, and liabilities; (2) the Association shall retire and pay all Capital Credits allocated to Patrons and former Patrons; and (3) after paying, satisfying, or discharging all Association debts, obligations, and liabilities, and after retiring and paying all Capital Credits, and to the extent practical:

A. the Association shall first distribute gains from selling an appreciated Association Asset to Members and former Members who Used Association Services during the period in which the Association owned the Association Asset in proportion to the value or quantity of Association Services Used by the Member or former Member during the period the Association owned the Association Asset;

B. the Association shall then distribute nonoperating earnings used by the Association as permanent, unallocated equity to Members who Used Association Services during the period in which the Association received the earnings in proportion to the value or quantity of Association Services Used by the Member during the period the Association received the earnings; and

C. the Association shall then pay or distribute any remaining Association Assets, and any amounts received from selling any remaining Cooperative Assets, to the Members in proportion to the value or quantity of Association Services Used during the 10 years before the Association's dissolution.

ARTICLE IX SEAL

The corporate seal of the Association shall have inscribed thereon the name of the Association and the words "Corporate Seal".

ARTICLE X FISCAL YEAR

SECTION 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Association may, upon the authorization of the Board, purchase stock in, or an ownership interest in, or become a member of any corporation or organization. Such purchase or membership shall be related to its electric utility business, or other business in which the Association is engaged, or may be transacted for the purpose of enabling the Association to engage in a new business or enterprise. Any authorization given the Association upon such matters shall be subject to the approval of all applicable governmental agencies.

SECTION 2. Waiver of Notice. Any member or Board member may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case such attendance is for the express and stated purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully held, called or convened.

SECTION 3. Policies, Rules and Regulations. The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Association.

SECTION 4. Accounting System and Reports. The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by any governmental body or agency having the power to supervise the Association's system of accounts, or as otherwise directed by law. As soon as practicable after April 30 of each year, the Board shall cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Association as of said April 30 and covering the preceding 12 months.

SECTION 5. Indemnification. The Association shall indemnify any person made a party to any action, suit or proceeding, whether civil or criminal, by reason of the fact that such person, his or her testator, or intestate, is or was a Director, officer, agent, or employee of the Association, or of any corporation which he or she serves in such capacity at the request of the Association, against the reasonable expenses, including attorney's fees, actually and reasonably incurred by such person in connection with the defense of any action, suit or proceeding, or in connection with any appeal thereon, and against any money judgments or fines incurred by such person in any such action, suit or proceeding. Amounts paid in settlement of such action, suit or proceeding are also indemnified hereunder so long as this Association

has the right to approve the settlement prior to any final agreement thereon. This right of indemnification shall not apply in relation to any action, suit or proceeding, or any particular claim within any action, suit, or proceeding as to which said person shall be adjudged liable for willful or fraudulent breaches of trust, gross or willful and wanton negligence, intentional tortious conduct, or ultra vires acts. This right of indemnification shall also not apply in the event, and to the extent, that such person shall be entitled to payment or reimbursement for such expenses and judgments under any policy or policies of insurance, regardless of whether such insurance coverage is provided by this Association, or otherwise. The right to indemnification conferred by this section shall not restrict the power of the Association to make any indemnification permitted by law. The Association may advance funds, to a person who appears to be eligible for indemnification hereunder, for the purpose of defending any such action, suit, or proceeding upon receipt by the Association of an undertaking in writing by or on behalf of the person indemnified to repay such amount unless it is ultimately determined that such person is entitled to be indemnified by the Association as authorized hereunder.

SECTION 6. Limitation of Liability. No person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him/her as Director, officer, agent or employee of the Association in good faith, if such person:

A. Relied upon financial statements of the Association represented to him/her to be correct by the Chair or other officer of the Association having charge of its books of account or stated in a written report by an independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of the Association or considered assets to be of their book value; or

B. Relied upon the advice of legal counsel for the Association.

SECTION 7. Set-off and Lien. To secure the repayment of any and all indebtedness of any member, consumer or other legal entity, this Association shall have a first lien upon the capital investments, capital credits, net margins, construction deposits, and any other property rights and interests in the Association of such member, consumer or other entity. All such members, consumers or other entities of the Association hereby grant a first lien on all deposits, capital credits, capital investments, patronage funds and other property or funds of the member, consumer or other entity held by the Association in order to secure the repayment of all indebtedness of such member, consumer or other entity to the Association. The first lien shall be perfected by possession of the collateral by the Association under the Uniform Commercial Code. The Articles of Incorporation, Bylaws, Tariffs, and Rules and Regulations of the Association shall constitute a security agreement under the Uniform Commercial Code. The amount of any such lien may, at the sole option of the Association, be set-off at any time against any funds to be paid any such member, consumer or other entity by the Association.

SECTION 8. Time Computation. In computing required time intervals pursuant to these Bylaws, the day on which the required act is done, or the date on which any deadline or time limit shall be attained or shall expire, is to be included.

SECTION 9. – Electronic Documents and Actions. If a Member or Director owns, controls, or has reasonable access to the applicable or necessary hardware and software, then, as determined by the Board, and as allowed by Law:

A. the Member or Director consents and agrees to: (1) use, accept, send, receive, and transmit an Electronic signature, contract, record, notice, vote, communication, comment, and other document regarding an action, transaction, business, meeting, or activity with, for, or involving the Cooperative (“Electronic Document”); (2) Electronically conduct an action, transaction, business, meeting, or activity with, for, or involving the Association; and (3) Electronically give or confirm this consent and agreement;

B. an Electronic Document sent or transmitted to, or received or transmitted from, the Member or Director satisfies a requirement imposed by the Governing Documents that the underlying signature, contract, record, notice, vote, communication, comment, or other document be in writing;

C. Electronically sending or transmitting an Electronic Document to, or receiving or transmitting an Electronic Document from, the Member or Director satisfies a requirement imposed by the Governing Documents that the underlying signature, contract, record, notice, vote, communication, comment, or other document be sent or received personally or by mail; and

D. the Member or Director Electronically taking an action provided in these Bylaws satisfies a requirement imposed by the Governing Documents regarding the form or manner of taking the action.

An Electronic Document Electronically sent or transmitted to a Member or Director or former Member at the Member or Director or former Member's last known Electronic address is considered sent, received, transmitted, and effective on the date sent by the Cooperative. An Electronic Document Electronically received or transmitted from a Member or Director or former Member is considered sent, received, transmitted, and effective on the date received by the Cooperative.

As used in these Bylaws, subject to the context requiring otherwise, and as determined by the Board:

A. "Electronic" and "Electronically" mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;

B. To sign an Electronic Document means, with present intent to authenticate or adopt the Electronic Document, to attach to, or logically associate with, the Electronic Document an Electronic sound, symbol, or process; and

C. Electronic transmission includes transmission through: (1) Electronic mail; (2) the Cooperative's website; or (3) a website or information processing system that the Cooperative has designated or uses to send, receive, or transmit Electronic Documents or Electronic information, or to Electronically conduct an action, transaction, business, meeting or activity.

ARTICLE XII AMENDMENTS

These Bylaws shall be reviewed at a regular or special meeting of the Board of Directors at least once every three years, and may be altered, amended or repealed by the affirmative vote of five or more of the Directors at a regular or special meeting of the Board of Directors convened for such purpose, provided the notice of such meeting shall contain a copy of the proposed alteration, amendment or repeal