

**AMENDED BYLAWS  
OF  
CORE ELECTRIC COOPERATIVE**

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## **ARTICLE I – THE COOPERATIVE**

CORE Electric Cooperative is a cooperative electric association incorporated under Title 7, Article 55 of the Colorado Revised Statutes (“C.R.S.”). In 1985, the Cooperative’s membership exempted the Cooperative from the Public Utilities Law pursuant to § 40-9.5-101-104, C.R.S. The Cooperative is regulated by its Members through an elected governing body according to the Cooperative’s Articles of Incorporation and these Bylaws.

The Cooperative shall not be operated for profit but for the mutual benefit of its Members and shall be operated to maintain its tax-exempt status under 26 U.S.C. § 501(c)(12).

## **ARTICLE II – DEFINITIONS**

As used in these Bylaws:

“Cooperative” means CORE Electric Cooperative.

“Board of Directors” and “Board” means a body of natural persons duly qualified and elected or appointed as provided for in these Bylaws to govern the Cooperative’s business affairs.

“Capital Credit” means the Patronage Capital allocated to the Patrons.

“Director” means a seated member of the Cooperative’s Board of Directors.

“Member” means a person or entity receiving electric energy from the Cooperative who has not opted out of membership as provided for in these Bylaws. The term “Member” as used in these Bylaws includes spouses holding a joint membership. Members are entitled to vote for Directors as provided in these Bylaws.

“Officer” means the President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, Chief Executive Officer, and such other officers as may be designated pursuant to these Bylaws.

“Patron” means a person or entity that purchases or has purchased electric energy from the Cooperative.

“Patronage Capital” means all amounts received by the Cooperative from sales of electric energy and distribution services related to such sales in excess of the cost of providing such sales and services and such other margins as may be designated and allocated as patronage capital by the Board.

“Rates and Regulations” means the Board-approved rates, terms, and conditions under which the Cooperative provides electric energy and related services to the Patrons of the Cooperative.

## ARTICLE III – MEMBERSHIP

**Section 1. Requirements for Membership.** Any person or entity that purchases electric energy from the Cooperative is deemed to have consented to be a Member of the Cooperative. A person or entity may hold only one (1) individual membership in the Cooperative.

Any person or entity may opt out of or withdraw from membership by notifying the Cooperative in writing. A person or entity giving such notice shall not be considered a Member of the Cooperative or be entitled to vote in Cooperative elections, but shall continue to be eligible for electric service under the Cooperative's Rates and Regulations.

**Section 2. Joint Membership.** Spouses may apply for a joint membership or convert an existing individual membership to a joint membership. All rights and liabilities of membership apply to joint memberships as follows:

- (a) The presence at a meeting of either or both spouses shall be regarded as the presence of one (1) Member and jointly waives notice of the meeting;
- (b) The signature of either or both spouses individually or jointly constitutes one (1) Member signature on a nominating petition for the office of Director;
- (c) Joint members are entitled to one (1) vote upon each matter submitted to a vote of the Members, which vote may be cast by either spouse;
- (d) A proxy executed by either spouse is a joint proxy, and the presence of either spouse at a meeting of the Members revokes such proxy;
- (e) A waiver of notice signed by either spouse shall constitute a joint waiver;
- (f) Notice to either spouse shall constitute notice to both;
- (g) Expulsion of either spouse shall terminate the joint membership;
- (h) Withdrawal of either spouse shall terminate the joint membership;
- (i) Either spouse, but not both, may be elected or appointed as an Officer or Director;
- (j) Both spouses shall be jointly entitled to allocation of Patronage Capital and shall be jointly liable for debts to the Cooperative incurred in connection with the receipt of electric service, which liability shall survive termination of the joint membership;
- (k) Upon receipt of notice by the Cooperative of the death of either spouse who is a joint member, the membership and any Capital Credits allocated to the joint

membership shall be transferred to the surviving spouse; and

- (l) Upon receipt of notice by the Cooperative of the dissolution of marriage between joint members, the joint membership shall terminate, and any joint Capital Credits will be divided equally (50/50) between the parties unless a binding agreement or court order stipulating otherwise is provided to the Cooperative within ten (10) business days of the notice to the Cooperative of the dissolution of marriage.

**Section 3. Membership Fee and Certificate.** The Board shall determine and may change the membership fee. If the Board determines that a membership fee shall be charged, the membership fee shall be included in the first billing to each new Member unless paid at the time of application for service.

The Cooperative shall issue certificates of membership. Service and billing records of the Cooperative showing service in the name of a person or entity shall presumptively establish membership of that person or entity.

**Section 4. Transfer of Membership.** Membership in the Cooperative shall not be assignable or transferable except upon consent of the Board or pursuant to policies established by the Board.

**Section 5. Termination of Membership.** Membership shall terminate upon the withdrawal, death, cessation of existence, or expulsion of a Member, or upon the termination of all of a Member's service accounts. Upon termination of membership, the former Member's accrued Capital Credit allocations shall continue to be eligible for retirement or assignment consistent with these Bylaws.

Except for the retained right to Capital Credits, if any, termination of membership shall operate as a release of all right, title, and interest of the former Member in the property and assets of the Cooperative; provided, however, that termination of membership shall not release the former Member or the former Member's estate from the debts or liabilities of such former Member to the Cooperative.

**Section 6. Expulsion of Membership.** The Board may, by the affirmative vote of not less than five (5) Directors, expel or suspend any Member who fails to comply with any of the provisions of the Articles of Incorporation, these Bylaws, or the Rates and Regulations, but only if such Member is given not less than fifteen (15) days prior written notice of the proposed action, the reasons therefor, and an opportunity to be heard, orally or in writing, at least five (5) days prior to the effective date of the action.

## ARTICLE IV – MEETINGS OF THE MEMBERS

**Section 1. Annual Meeting.** The annual meeting of the Members shall be held during the month of April at a location within the service area of the Cooperative or the Denver, Colorado, metropolitan area at a time, date, and location determined by the Board. The time, date and location of the annual meeting shall be subject to change by the Board, including a change to a month other than April, upon a Board determination that circumstances have occurred that could not be foreseen at the time the meeting was set, such as, but not limited to, an extreme weather event, health emergency or fire, and upon such notice of the new meeting time, date and location as is provided by law. The purpose of the meeting shall be to elect Directors, present reports covering the previous fiscal year, and transact such other business as may properly come before the meeting.

Failure to hold the annual meeting shall not result in a forfeiture or dissolution of the Cooperative.

**Section 2. Notice of the Annual Meeting.** Written notice of the time, date, location, and purpose of the annual meeting of the Members shall be published on the Cooperative's website and mailed or electronically transmitted to the Members no less than six (6) months before the date of the annual meeting and no fewer than thirty (30) nor more than sixty (60) days before the annual meeting, provided that if the time, date or location of the meeting is changed pursuant to Section 1 of this Article, such notice shall be given as is provided by law.

**Section 3. Special Meeting.** A special meeting of the Members may be called by the Board President, a majority of the Directors, or by a petition signed by at least ten percent (10%) of the Members and delivered to the Cooperative. Such petition shall cite the specific purpose or purposes for which the special meeting is being called and shall be in conformity with all applicable laws, the Cooperative's Articles of Incorporation, and these Bylaws. Any special meeting of the Members shall be held at a location within the service area of the Cooperative or the Denver, Colorado, metropolitan area at a time, date and location determined by the Board.

**Section 4. Notice of a Special Meeting.** Notice of any special meeting of the Members shall include a description of the purpose or purposes for which the meeting is called and shall be posted on the Cooperative's website and delivered to the Members by mail or electronically within thirty (30) days after the date the meeting is called as provided in Article IV, Section 3.

**Section 5. Quorum.** Ten percent (10%) of the total number of Members of the Cooperative, if present in person or by proxy, shall constitute a quorum for the purpose of transacting business; provided, however, that at least two and one-half percent (2½%) of the Members are present in person. A Member who registers in person or electronically at any meeting of the Members or who casts a vote through mail ballot or a secure electronic transmission system if available is considered present in person for the purpose

of determining a quorum. If less than a quorum is present at any meeting, the Board may recess the meeting from time to time without further notice.

**Section 6. Order of Business.** Except as otherwise provided in these Bylaws, the Board shall determine the agenda, program, and order of business for any meeting of the Members called by the Board. The Board President shall determine the agenda for meetings called by the President. The matters to be considered at a special meeting called by petition of the Members shall be as presented in the petition. The President, or his or her designee, shall preside at each Member meeting and may exercise the duties and take actions reasonably necessary to conduct the meeting in an efficient manner.

The order of business at a meeting of the Members shall generally be as follows:

- (a) Reading the notice of the meeting and proof of notice publication or mailing;
- (b) Report on the number of Members present in person and by proxy in order to determine the existence of a quorum;
- (c) Presentation of and action upon reports of Officers, Directors, and committees, if applicable;
- (d) Member comment;
- (e) Unfinished business, if applicable;
- (f) New business; then
- (g) Adjournment.

**Section 7. Record Dates.** The record date for determining the Members who are entitled to notice of an annual meeting of the Members and to vote by written mail ballot at such meeting shall be forty-five (45) days prior to the date of the annual meeting of the Members at close of business. The record date for determining the Members who are entitled to vote in person at the annual meeting shall be the date of the annual meeting of the Members at such time as the meeting is called to order.

The record date for determining the Members who are entitled to notice of a special meeting of the Members and entitled to vote at such meeting shall be the day prior to the date notice is mailed or electronically delivered to the Members.

**Section 8. Voting.** Upon establishment of a quorum as provided in these Bylaws, all questions before the membership shall be decided by a vote of a majority of the Members voting thereon by mail, in person, or by proxy, or by electronic means after establishment of a secure and verifiable electronic transmission system, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. Each Member shall be entitled to one (1) vote upon each matter submitted to a vote of the Members. Cumulative voting is prohibited. A Member who has submitted a mail or electronic ballot



on any matter shall not be entitled to vote in person.

Any Member that is not a natural person must properly designate in writing to the Cooperative at least one (1) week prior to any annual meeting or special meeting where voting will take place, or, in the event of mail balloting, at least one (1) month prior to the mailing of ballots to Members, the name of the individual who will vote the membership of the entity.

**Section 9. Action by Mail Ballot.** Any action that may be taken at any annual or special meeting of the members may be taken without a meeting if the Cooperative mails a ballot to every Member entitled to vote on the matter.

Such action has the same effect as action taken at a meeting of Members. The mail ballot shall state each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by mail ballot shall:

- (a) indicate the number of responses needed to meet the quorum requirements;
- (b) state the percentage of approvals necessary to approve each matter other than election of directors;
- (c) state the time by which ballots eligible to be counted must be received by the Cooperative, or an independent third party with whom the Cooperative has contracted for the storage and counting of ballots; and
- (d) be accompanied by written information sufficient to permit each Member casting such ballot to reach an informed decision on the matter.

Approval by mail ballot pursuant to this Section shall be valid only when the number of votes cast by mail ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by mail ballot.

**Section 10. Proxies.** At all meetings of Members, a Member may vote by written, signed proxy except for the election of Directors. Only a Member or Officer may hold and vote a proxy. Each proxy shall designate the particular meeting at which it is to be voted and shall be filed with the Secretary before or at the time of the meeting. The presence at such meeting of the Member who signed the proxy shall revoke the proxy, and such Member shall be entitled to vote at the meeting in the same manner and with the same effect as if the Member had not executed a proxy.

**Section 11. Authorization to Participate Electronically.** The Cooperative may establish a secure and verifiable electronic transmission system through which a Member may apply for, receive, and return a ballot in an election. After establishment of such secure and verifiable electronic transmission system, at all meetings of Members, a Member may

vote electronically in an election on any matter requiring a vote of the membership.

**Section 12. Minutes.** Written minutes shall be made of all meetings of the Members. The minutes shall be posted on the Cooperative's website as soon as such minutes have been approved by the Board and shall remain posted at least six (6) months after the date of the meeting.

## **ARTICLE V – BOARD OF DIRECTORS**

**Section 1. General Powers.** The business affairs of the Cooperative shall be managed by a Board of seven (7) Directors that shall exercise all of the powers of the Cooperative not conferred upon or reserved to the Members by law, the Cooperative's Articles of Incorporation, or these Bylaws.

**Section 2. Director Districts.** The territory served by the Cooperative shall be divided into as many districts as there are Director seats. Each district shall contain approximately the same number of Patrons as the other districts. Maps designating the exact boundaries of each district shall be prepared and maintained at the principal office of the Cooperative.

At least every eighth (8th) year, the Board shall review the number of Patrons in each district, and if there are substantial inequalities, the Board shall redefine district boundaries by Board resolution so that each shall contain as nearly as practicable the same number of Patrons. Redistricting shall also be done if the total membership of the Cooperative increases or decreases by more than ten percent (10%) from the prior year due to new territory acquisition or territory sale. Redistricting shall not be done within ninety (90) days of any annual meeting.

**Section 3. Directors Elected.** Each Director shall be elected by the Members of the district he or she represents upon nomination and following the procedure set forth in these Bylaws.

**Section 4. Election and Tenure of Office.** Each district shall be represented by one (1) Director who shall be elected for a four (4) year term. Directors representing districts 3, 5, and 7 shall have terms of office expiring on the first odd-numbered year following each leap year. Directors representing districts 1, 2, 4, and 6 shall have terms of office expiring on the second odd-numbered year following each leap year. Each term shall end on the date of the annual meeting in the year the term expires, provided that Directors shall continue in office until their successors have been elected and have qualified. If for any reason the Members fail to elect a Director for any district at the expiration of the incumbent Director's term of office, the incumbent shall continue in office for the new term.

**Section 5. Director Qualifications.** To be eligible to become or remain a Director of the Cooperative a person must:

- (a) be an individual eighteen (18) years of age or older;
- (b) be a Member of the Cooperative;
- (c) purchase electric energy within his or her director district; and
- (d) not be an employee of the Cooperative.

**Section 6. Member Representative.** If an individual is nominated to serve on the Board as the representative of a Member that is not a natural person, the person nominated shall meet the qualifications requirements for such office set forth in Subsections 5(a) and (d) of this Article and the represented Member shall meet the qualifications requirements of Subsections 5(b) and (c). Such representative shall be subject to any Cooperative conflict of interest Bylaw or policy both personally and in his or her representative capacity. If such representative is elected or appointed to the Board and subsequently fails to complete his or her term, the Board and not the Member shall appoint a replacement from the Cooperative membership as provided for herein.

**Section 7. Nominations.** A nomination for Director may be made by written petition signed by at least fifteen (15) Members and filed with the Cooperative board of directors or its designee not ~~more earlier~~ than ninety (90) days nor ~~less later~~ than ~~forty fivesixty~~ (6045) days prior to the annual meeting date of the election. The signature of a spouse of a Member shall not be counted unless the spouse is a joint Member and the other joint Member has not signed or unless the spouse is a Member in his or her own right.

To be eligible for placement on the ballot, a nominee must meet the requirements of Section 5 of this Article, and the nominating petition must be received by the Cooperative board of directors or its designee by the close of business at least ~~forty fivesixty~~ (6045) days prior to the annual meeting date of the election. The Cooperative's staff shall determine whether a petition is valid within one (1) business day and shall promptly notify the party who submitted the petition of such determination.

**Section 8. Election of Directors.** Each Member of a district shall be entitled to vote for one (1) candidate nominated from the Member's district, either at a meeting held for such purpose, or by mail, or by electronic means using a secure and verifiable electronic transmission system established by the Cooperative, but not more than one of these, provided that there shall be no election in any district for which only one (1) candidate is nominated. A Member who has voted by mail or by electronic means shall not be entitled to vote at the meeting. A Member may vote for only one candidate and may not vote for a candidate for a seat in a district other than the district in which the Member's service is located. The Board shall establish a policy for determining the voting district of Members with service locations in multiple districts.

When there is a contested director election, the Secretary of the Cooperative, or his or her designee, shall mail or cause to be mailed to each eligible Member a ballot listing

the candidates nominated for director in the Member's district. Such ballots shall be mailed by an independent printing or mailing service not less than thirty (30) days before the annual meeting. There shall be included with each ballot ~~a special secrecy sleeve or inner envelope to be used for placement of each mailed ballot,~~ a return envelope, instructions for applying for an electronic ballot if desired, and a biographical sketch and position statement ~~on a single~~ that fits on one side of an 8½" by 11" page for each candidate, provided that such document need not be included with ballots if a candidate has not provided one to the Cooperative at least forty-five (45) days prior to the meeting at which Directors are to be elected.

On or before five o'clock (5:00) p.m. on the day preceding the annual meeting, all ballots voted by mail and all ballots voted electronically must be received by the Cooperative or an independent party with whom the Cooperative has contracted for the storage and counting of ballots. All ballot return envelopes shall be signed by the voting Member. Envelopes containing mailed ballots shall remain sealed and uncounted until such time as the ballots are committed to the custody of an independent party retained for the purpose of the storage and counting of ballots. Voting for Directors shall conclude when the President calls to order the annual meeting of the Members in any election year.

The candidate from each district receiving the highest number of votes shall be deemed elected as a Director of the Board. A qualified candidate who is not contested shall be deemed elected. Ballots cast in an election for any Director seat will be made available to any candidate for that seat upon request of the candidate. Ballots will be retained under seal by the Cooperative for a period of four (4) years following the election.

**Section 9. Director Compensation and Expenses.** Directors shall not receive a salary for their services, except that Directors may be paid a sum fixed by Board policy for each Board meeting, conference, or event related to Cooperative business. To the extent authorized by the Board, Directors shall be reimbursed for expenses actually and necessarily incurred in connection with Cooperative business, or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some expenses.

**Section 10. Removal of Director by Members.** The Members may remove a Director with or without cause. The question of the removal of a Director shall be considered and voted upon at a special meeting of the Members called for that purpose, but only Members of the district the Director represents shall be entitled to vote on the question of the removal of such Director. A Director may be removed only if the number of votes cast for removal exceeds those against removal.

**Section 11. Removal of Director by the Board.** Any Director elected by the Board, not by the Members, to fill a vacancy may be removed with or without cause by a vote of the majority of Directors seated on the Board.

**Section 12. Resignation.** A Director may resign at any time by giving written notice to the President and the Chief Executive Officer. The resignation shall be effective upon delivery of the notice unless the notice states a later effective date.

A Director is deemed to have resigned upon determination by a vote of a majority of Directors seated on the Board that the Director:

- (a) failed to attend at least sixty percent (60%) of the annual, regular, and special meetings of the Board in any twelve (12) consecutive months, which absences were not excused by the Board;
- (b) does not meet the qualifications for Director established in Section 5 of this Article;
- (c) has failed to comply with Board-approved policies concerning duties, standards of conduct, and conflict of interest;
- (d) engaged in fraudulent or dishonest conduct or gross abuse of authority or discretion with respect to the Cooperative; or
- (e) otherwise has failed to meet the fiduciary obligations of a Director of the Cooperative.

**Section 13. Removal or Involuntary Resignation Procedure.** A majority of seated Directors must authorize any charges against a Director that could result in removal or involuntary resignation. A Director shall be informed in writing of the charges and evidence supporting the charges at least twenty (20) days prior to the meeting of the Board at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person, in writing, or by counsel and to present evidence regarding the charges.

**Section 14. Vacancies.** Vacancies occurring on the Board shall be filled by a majority vote of the remaining Directors, and a Director thus elected shall serve for any remaining unexpired portion of the term or until a successor qualified under Article V, Section 5 is elected.

**Section 15. Indemnification of Directors and Officers.** Each Director and Officer of the Cooperative now or hereafter serving as such, shall be indemnified by the Cooperative against any and all claims and liabilities, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Cooperative) to which he or she has or shall become subject by reason of any action alleged to have been taken, omitted, or neglected by him or her while serving as such, if he or she acted in good faith and in such a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. Every Director and Officer entitled to indemnification under this section shall be indemnified against all expenses, court costs, expert witness fees, attorney fees,

judgments, fines and amounts paid in settlement or satisfaction of judgment actually or reasonably incurred by him or her in connection with such action, suit or proceeding, provided such Director or Officer was acting within the scope of his or her duties at the time the claim arose.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a Director or Officer of the Cooperative against any liability asserted against him or her in any such capacity as stated in the immediately preceding paragraph. Indemnification by the Cooperative will cover all amounts above and beyond policy coverages or items not included in coverages.

If the Cooperative indemnifies or advances expenses to a Director pursuant to this section in connection with a proceeding by or in the right of the Cooperative, the Cooperative shall give written notice of the indemnification or advance to the Members with or before the notice of the next meeting of the Members.

The right of indemnification provided for herein shall not be exclusive of any rights to which any Director or Officer of the Cooperative may be entitled by law.

## **ARTICLE VI – OFFICERS**

**Section 1. Elected Officers.** The Cooperative shall have the elected offices of President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, and such other offices as may be designated by the Board. The offices of Secretary and Treasurer may be held by the same person, and the offices of Assistant Secretary and Assistant Treasurer may be held by the same person. These offices shall be elected annually by the Board at the first regular meeting of the Board after each annual meeting of the Members or at such later time as the Board may determine. Unless earlier removed from office or from the Board as provided for in these Bylaws, each elected Officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the Members or until a successor qualified under Article V, Section 5 is elected.

**Section 2. Appointed Officers.** The Board shall appoint a Chief Executive Officer and such other officers as it may deem appropriate. The Chief Executive Officer may appoint a Chief Financial Officer and Chief Operating Officer.

**Section 3. Removal.** The Board may remove any Officer by an affirmative vote of a majority of seated Directors whenever in its judgment the best interests of the Cooperative will be served thereby.

**Section 4. Resignation.** An Officer may resign at any time by giving written notice to the President and the Chief Executive Officer. The resignation shall be effective upon delivery of the notice unless the notice states a later effective date.

**Section 5. Vacancies.** Except as otherwise provided in these Bylaws, a vacancy in any office shall be filled by a majority of the Board for the unexpired portion of the term or by

the Chief Executive Officer as to vacancies concerning which he or she has authority to appoint.

**Section 6. Authority and Duties.** The Officers shall have the authority to perform the duties incident to their respective offices, which shall include:

- (a) The President shall preside at all meetings of the Cooperative and shall sign all documents which have been authorized by resolution of the Board.
- (b) The Vice President shall perform the duties of the President in the President's absence or inability or refusal to act.
- (c) The Secretary shall authenticate the Cooperative's records and ensure that minutes are prepared and notice is given in accordance with these Bylaws.
- (d) The Treasurer shall ensure that the financial affairs of the Cooperative are managed consistent with law, the Cooperative's Articles of Incorporation, these Bylaws, and Board policy.
- (e) The Assistant Secretary shall perform the duties of the Secretary in the Secretary's absence or inability or refusal to act.
- (f) The Assistant Treasurer shall perform the duties of the Treasurer in the Treasurer's absence or inability or refusal to act.
- (g) The Chief Executive Officer shall be responsible for the management of the affairs of the Cooperative and shall have such authority as the Board may from time to time vest in him or her.

The Officers also shall have such authority and duties as from time to time may be assigned by the Board.

**Section 7. Delegation of Duties.** To the extent permitted by law, the Board may delegate the duties of the Secretary or Treasurer to one (1) or more employees of the Cooperative. In the event of the inability or refusal to act, temporary absence, or death of any Officer elected or appointed by the Board, 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.

## **ARTICLE VII – MEETINGS OF DIRECTORS**

**Section 1. Regular Meetings.** Regular meetings of the Board shall be held at times, dates, and locations within the Cooperative's service territory as determined by the Board. If a meeting is held electronically, the location of the meeting shall be deemed to be the location stated in the notice of the meeting.

**Section 2. Special Meeting.** Special meetings of the Board may be called by the President or by any three (3) Directors. The President or Directors calling the meeting shall fix the time and place for the meeting. Notice of such meeting shall be given as provided in this Article.

**Section 3. Director Notice.** Written notice of the time, date, location, and purpose of any meeting of the Board shall be delivered to each Director personally, electronically or by mail, by or at the direction of the Secretary at least ten (10) days before the date set for the meeting. Appearance at the time and place set for the meeting shall be deemed a waiver of any defect in notice.

**Section 4. Member Notice.** Notice of the time, date, and location of any regular or special meeting of the Board and a copy of the agenda for such meeting shall be posted on the Cooperative's website and at every service office maintained by the Cooperative at least ten (10) days before any regular meeting and, if less than ten (10) days, as soon as the meeting is scheduled in the case of a special meeting. If a meeting is postponed or canceled, notice of the postponement or cancellation shall promptly be posted on the Cooperative's website. The agenda shall 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.

**Section 5. Quorum and Manner of Acting.** A majority of the Directors seated on the Board shall constitute a quorum. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

**Section 6. Attendance by Electronic Means.** For good cause and with approval of the Board, a Director who is not physically present in person may participate in a regular or special meeting of the Board using electronic communication by which all Directors participating in the Board Meeting may instantaneously converse with 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 shall be permitted to attend Board meetings electronically more than three times within any consecutive twelve months unless and to the extent that the Board by affirmative vote authorizes additional electronic attendance.

**Section 7. Attendance at Meetings.** All meetings of the Cooperative shall be open to Patrons and news media, subject to reasonable restrictions as determined by the Board. If a meeting is held electronically, the meeting shall be deemed open if Patrons and news media representatives are able to address the Board and to see and hear electronically Board proceedings, either online or by physical attendance at the location of the meeting, to the same extent as are directors participating in the meeting. At every regular meeting of the Board, Patrons of the Cooperative shall be given the opportunity to address the Board concerning the policies and business of the Cooperative. Unless



otherwise determined by the Board President from time to time, such comment shall be permitted for up to one-half (1/2) hour at each regular meeting, with three (3) minutes allotted to each individual speaker.

**Section 8. Executive Session.** By a two-thirds (2/3) affirmative vote of the Directors present, the Board may go into executive session during any regular or special meeting for consideration of documents or testimony given in confidence. The Board shall not make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money at any session that is closed to the Patrons and news media. Prior to the time the Board convenes in executive session, the Board shall announce the general topic of the executive session.

**Section 9. Minutes.** Written minutes shall be made of all meetings of the Board by or at the direction of the Secretary. The minutes shall be posted on the Cooperative's website promptly after approval by the Board and shall remain posted at least six (6) months after the date of the meeting.

**Section 10. Committees.** The Board may create one or more committees and appoint one or more Directors to serve on such committees. Each committee shall have the responsibilities and authority to act to the extent delegated by the Board, subject to limitations in law, the Articles of Incorporation, and these Bylaws.

**ARTICLE VIII – NONPROFIT OPERATION AND CAPITAL CREDITS**

**Section 1. Nonprofit Operation.** The Cooperative shall be operated on a cooperative nonprofit basis for the mutual benefit of its Members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its Patrons.

**Section 2. Allocation of Patronage Capital.** The Patrons of the Cooperative shall furnish capital for the Cooperative through their patronage. The Cooperative shall allocate such capital on a patronage basis as Capital Credits to its Patrons after the end of each fiscal year in proportion to or based on the amount of electric energy the Patron purchased from the Cooperative during the fiscal year.

Capital Credit allocations shall have the same status as though the Cooperative paid the amount allocated to the Patron in cash pursuant to a legal obligation to do so and the Patron then furnished the Cooperative the corresponding amount as capital.

The Cooperative shall notify each Patron of the amount of Capital Credits allocated to the Patron's account within a reasonable time after such allocation. No Patron shall be entitled to receive any payment of Capital Credits until such time and in such amount as the Board shall authorize.

**Section 3. Retirement of Capital Credits.** If at any time prior to dissolution or liquidation, the Board determines that the financial condition of the Cooperative will not be impaired thereby, Capital Credits may be retired and paid in full or in part, subject to any limitations

imposed by the provisions of any credit agreement, mortgage or deed of trust given or assumed by the Cooperative.

The Board shall determine the manner, method, and timing of retiring and paying Capital Credits; provided that no unreasonable difference between classes of Patrons shall be created or maintained with respect to capital retirements.

Upon Board approval, the Cooperative may retire Capital Credits and pay the net present value of the retired Capital Credits as determined by the Board. Any such retirement shall be made or offered to all Patrons within any similarly situated group identified by the Board and upon such terms and conditions as the Board may prescribe.

**Section 4. Retirement of Capital Credits for Deceased Patrons.** The Board may authorize the Cooperative to retire and pay the Capital Credits allocated to any deceased Patron upon such terms and conditions as the Board may prescribe.

**Section 5. Assignment of Capital Credits.** Patrons may request in writing that all right, title, and interest to the Capital Credits allocated to their patronage account be assigned to a third party, provided that the Patron agrees in writing to the terms of such assignment established by the Board from time to time. The Chief Executive Officer may approve or deny such an assignment in his or her reasonable discretion.

## **ARTICLE IX – FINANCIAL AND BUSINESS TRANSACTIONS**

**Section 1. Fiscal Year.** The fiscal year of the Cooperative shall begin on the first (1st) day of January of each year and end on the thirty-first (31st) day of December of the same year. However, the Board may select a different period for audit purposes.

**Section 2. Accounting System and Reports.** The Board shall cause to be established and maintained a complete accounting system that shall conform to such accounting system as may from time to time be designated by the Board and to applicable laws and rules and regulations of any regulatory body. The financial affairs of the Cooperative shall be examined by a committee of the Board, which shall make quarterly reports at regular meetings of the Board.

**Section 3. Annual Audit.** The Board shall, within one hundred twenty (120) days after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year.

**Section 4. Financial Instruments.** All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidence of indebtedness issued in the name of the Cooperative shall be signed by such Officer or Officers of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

**Section 5. Deposits and Investments.** All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select or invested in a prudent manner and in the best interests of the Cooperative as the Board may determine.

**Section 6. Contracts.** Except as otherwise required by the Articles of Incorporation, these Bylaws, or applicable law or regulation, the Board may authorize any Officer, employee, or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative. Such authority may be general or confined to specific instances.

## **ARTICLE X – RATES AND REGULATIONS**

**Section 1. Rates and Regulations.** The Board shall have power at any time to adopt, amend, restate, and otherwise promulgate Rates and Regulations consistent with the law, the Articles of Incorporation of the Cooperative, and these Bylaws as it may deem advisable for the provision of electric service.

**Section 2. Obligation to Serve.** The Cooperative shall provide reasonably continuous and adequate electric utility service to all Patrons within the Cooperative's certificated service area pursuant to the Cooperative's Rates and Regulations.

**Section 3. Purchase of Electric Energy.** Each Patron shall purchase from the Cooperative all electric energy used on the premises specified in the Patron's request for service, except for electric energy, if any, generated by facilities interconnected with the Cooperative's system according to the Rates and Regulations and such other requirements as the Cooperative may determine necessary in its sole discretion.

Each Patron shall pay the Cooperative for electric energy and the service of such energy when due and payable according to the terms established in the Rates and Regulations.

## **ARTICLE XI – DISPOSITION OF PROPERTY**

**Section 1. Disposition of Property.** The Cooperative may, upon a two-thirds (2/3) affirmative vote of the Directors, sell, lease, exchange, mortgage, pledge, dedicate to the repayment of indebtedness, or otherwise dispose of or encumber all or substantially all of its property in the usual and regular course of business and in a manner that the Board determines is in the best interest of the Cooperative.

**Section 2. Delegated Approval for Certain Property.** Except as otherwise provided in these Bylaws, the Board may authorize the Chief Executive Officer to sell, donate, or otherwise

dispose of any of the Cooperative's property that is no longer used or useful in the conduct of the business of the Cooperative.

**Section 3. Membership Approval.** The Cooperative may sell or transfer all or substantially all of its assets, other than in the usual and regular course of business, only upon approval of the Board and with approval by vote of the Members in a manner consistent with the provisions of Article IV of these Bylaws. Member approval shall require a majority of the Members voting on the question.

## **ARTICLE XII – MERGER**

**Section 1. Plan of Merger.** To merge with another entity, the Board must, upon a two-thirds (2/3) affirmative vote, approve a plan of merger with the following minimum requirements:

- (a) The name of each entity merging with the Cooperative;
- (b) The name of the new or surviving entity;
- (c) The effective date of such merger;
- (d) Identification of the territory served or to be served by the new or surviving entity and any division of such territory into director districts;
- (e) The number of directors of the new or surviving entity;
- (f) Names of the directors who will serve on the board of the new or surviving entity until the entity's first annual meeting when director elections will be held;
- (g) The date of the first annual meeting for the new or surviving entity;
- (h) The manner and basis, if any, of converting memberships of each involved entity into memberships of the new or surviving entity;
- (i) Terms and conditions of the merger; and
- (j) Other information required by applicable law.

**Section 2. Member Approval.** After the Board approves a plan of merger, the Board shall give notice of and submit such plan for approval by vote of the Members in a manner consistent with the provisions of Article IV of these Bylaws. The plan of merger shall be decided by a vote of a two-thirds (2/3) affirmative majority vote of the Members present and voting in person or by mail ballot at any regular or special meeting at which prior notice, with mail ballot attached, had been mailed to each Member stating the plan of merger.

## **ARTICLE XIII – DISSOLUTION**

**Section 1. Dissolution.** By a two-thirds (2/3) majority vote, the Board may adopt a resolution recommending dissolution of the Cooperative and submit such resolution to the Members for a vote. The resolution shall state the reasons why the termination of the Cooperative is deemed advisable, the time by which it should be accomplished, and the names of three individuals who are Members of the Cooperative who shall act as trustees and have full power to do all things necessary to liquidate assets and terminate the affairs of the Cooperative and file the Cooperative's articles of dissolution. The question of dissolution shall be determined by a two-thirds (2/3) affirmative majority vote of the Members present and voting in person or by mail ballot at any regular or special meeting of the Members if the meeting notice, with a mail ballot attached, stated that dissolution would be discussed.

**Section 2. Retirement of Capital Credits.** Upon dissolution of the Cooperative, the trustees shall liquidate the Cooperative's assets, terminate its affairs, pay all outstanding indebtedness, and distribute all money remaining after expenses of dissolution to the owners of unretired Capital Credits in shares equal to the owners' proportion of total Capital Credits allocated and unretired as of the date of the dissolution vote.

#### **ARTICLE XIV – MISCELLANEOUS**

**Section 1. Non-Liability for the Debts of the Cooperative.** The Directors, Officers, Employees, Members, and Patrons of the Cooperative are not personally liable for the acts, debts, liabilities, or obligations of the Cooperative.

**Section 2. Binding Nature.** The Cooperative and its Patrons are bound by the terms and provisions of the Cooperative's Articles of Incorporation, these Bylaws, the Rates and Regulations, as those documents may from time to time be amended by the Board.

**Section 3. Notice to the Cooperative.** Legal notice to the Cooperative shall be physically delivered or sent by certified mail with return receipt requested to the Cooperative's principal office at 5496 N. U.S. Highway 85, Sedalia, CO 80135, addressed to the attention of the Chief Executive Officer.

**Section 4. Delivery and Waiver of Notice.** Any notice given under these Bylaws may be given as follows:

- (a) if given by mail, notice shall be deemed to be delivered when deposited in the United States mail addressed to the recipient at the recipient's address as it appears in the Cooperative's records with postage thereon prepaid; or
- (b) if given electronically, notice shall be deemed to be delivered when it is electronically transmitted to the recipient at the recipient's email address as it

appears in the Cooperative's records.

The failure of any recipient to receive notice of any meeting shall not invalidate any action that may be taken at such meeting. Any recipient may waive any notice given under these Bylaws by:

- (a) written waiver signed by the recipient entitled to the notice and delivered to the Cooperative; or
- (d) attendance at a meeting, which shall waive objection to lack of notice or defective notice of the meeting and objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the recipient objects to considering the matter when it is presented.

**Section 5. Corporate Seal.** The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Colorado."

**Section 6. Amendments.** These Bylaws may be amended or new Bylaws adopted by the affirmative vote of two-thirds (2/3) of the seated Directors at any regular or special meeting. Notice of any proposed amended or new Bylaws shall be posted on the Cooperative's website at least ten (10) days prior to the meeting at which the proposed Bylaws shall be voted on by the Board. Notice of the amended or new Bylaws shall be sent to each Member of the Cooperative within a reasonable time after such action has been taken. Copies of such alteration or amendment shall be posted on the Cooperative's website and made available to Members at each office of the Cooperative.