



# BYLAWS

Last Revised and Adopted July 11, 2024

**Mountain Parks Electric, Inc.**  
**321 W. Agate Avenue**  
**Granby, CO 80446**  
**970-887-3378**

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This institution is an equal opportunity provider and employer

# MOUNTAIN PARKS ELECTRIC, INC.

## MISSION STATEMENT

*MOUNTAIN PARKS ELECTRIC, INC., a dynamic cooperative dedicated to its members and communities.*

### BYLAWS OF MOUNTAIN PARKS ELECTRIC, INC.

ADOPTED OCTOBER 11, 1975

AMENDED AT THE 44<sup>TH</sup> ANNUAL MEETING OF MEMBERS MAY 15, 1993

AMENDED AT THE 46<sup>TH</sup> ANNUAL MEETING OF MEMBERS MAY 13, 1995

AMENDED AT THE 49<sup>TH</sup> ANNUAL MEETING OF MEMBERS MAY 16, 1998

AMENDED AT THE 50<sup>TH</sup> ANNUAL MEETING OF MEMBERS MAY 15, 1999

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING MAY 24, 2000

AMENDED AT THE MPE 52<sup>ND</sup> ANNUAL MEETING OF MEMBERS JUNE 16, 2001

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING JULY 25, 2001

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING DECEMBER 26, 2001

AMENDED AT THE MPE 53<sup>RD</sup> ANNUAL MEETING OF MEMBERS MAY 4, 2002

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING MAY 30, 2002

AMENDED AT THE MPE 54<sup>TH</sup> ANNUAL MEETING OF MEMBERS APRIL 26, 2003

AMENDED AT THE MPE 55<sup>TH</sup> ANNUAL MEETING OF MEMBERS APRIL 24, 2004

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING JANUARY 13, 2011

AMENDED AT THE MPE 62<sup>ND</sup> ANNUAL MEETING OF MEMBERS JUNE 11, 2011

AMENDED AT THE MPE 65<sup>TH</sup> ANNUAL MEETING OF THE MEMBERS MAY 10, 2014

AMENDED AT THE MPE 67<sup>TH</sup> ANNUAL MEETING OF THE MEMBERS MAY 14, 2016

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING NOVEMBER 10, 2016

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING MARCH 9, 2017

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING MAY 11, 2017

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING SEPTEMBER 13, 2018

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING MAY 14, 2020

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING NOVEMBER 11, 2021

AMENDED AT THE MPE 71<sup>ST</sup> ANNUAL MEETING OF THE MEMBERS MAY 14, 2022

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING SEPTEMBER 8, 2022

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING FEBRUARY 8, 2024

AMENDED AT THE MPE 74<sup>TH</sup> ANNUAL MEETING OF THE MEMBERS APRIL 27, 2024

AMENDED AT THE MPE BOARD OF DIRECTORS REGULAR MEETING JULY 11, 2024

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**BYLAWS OF  
MOUNTAIN PARKS ELECTRIC, INC.**

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**ARTICLE I  
MEMBERSHIP**

**SECTION 1. REQUIREMENT FOR MEMBERSHIP**

- (a) Any person, firm, association, partnership, corporation, body politic, or subdivision thereof, will become a member of MOUNTAIN PARKS ELECTRIC, INC., (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided the prospective member has first signed and delivered to the Cooperative the written Electric Service Agreement in the form prescribed by the Cooperative, which form may include agreements for the purchase of electrical service and for compliance with and acceptance of the Articles of Incorporation, Bylaws, Rules and Regulations of the Cooperative as binding upon the member.
- (b) No member may hold more than one membership nor be entitled to more than one vote, irrespective of the number of connections serving the member. If the member has more than one connection for service, the vote of the member shall be in the district of their residential service. If there is no residential service, the member shall designate in writing the service which shall be the membership for voting.
- (c) Memberships shall not be transferable nor subject to assignment but may be surrendered and converted as provided herein.

**SECTION 2. MEMBERSHIP AGREEMENT**

Membership in the Cooperative shall be evidenced by an Electric Service Agreement, on file with the Cooperative, which shall be in such form and shall contain such provisions as shall be determined by the Board. In case a Certificate is lost, destroyed or mutilated, a new Certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board may prescribe.

**SECTION 3. JOINT MEMBERSHIP**

- (a) Two or more persons may jointly own a single membership so long as all such persons meet the qualifications for membership pursuant to these Bylaws. Such membership shall be a single membership, and the rights of that single membership may be exercised by any one of the joint owners. Without limiting the generality of the foregoing, the following rules shall apply to a joint membership: The membership has only one vote. The vote of any one of the owners shall constitute the one joint vote. The presence of any one owner shall constitute the presence of all at any meeting and shall constitute a joint waiver of notice of the meeting. A signed waiver of notice by one shall constitute a waiver of all owners. Notice to one shall constitute notice to all owners. Expulsion or withdrawal of one shall terminate the joint membership of all. Only one of such joint owners may be elected or appointed as an officer, Board Member or member of a committee.
- (b) If a membership is issued to a corporate body, or division thereof, or to a firm or company in a trade name, the voting right under the membership shall be exercised only by the one person who shall be designated in advance of any election or meeting, or at the time of any election or meeting, in writing signed by the President or other chief officer of the company or corporation named in the Electric Service Agreement. Lacking any other designation the person signing the "Electric Service Agreement" shall be assumed to have the designated voting right.
- (c) Any designation received by the Cooperative under the provisions of this Article shall allow the designated person to exercise all membership rights in the name of the membership making the designation.
- (d) Any designation received by the Cooperative under the above provisions of this Article may be changed by a new designation, except that there shall be no change while the designated person is nominated for Board Membership or is acting as a Board Member, for a term that has commenced or is to commence.

#### **SECTION 4. CONVERSION OF MEMBERSHIP**

- (a) Membership in one person may be converted to a joint membership, a joint membership may be converted to a membership in one of the persons, and a partnership joint membership may be converted to new persons, if there is a change in the partnership makeup, but no change in the business of the partnership, provided, however, this subsection shall not relieve any party from liability for payment of charges already incurred or future charges where any such party is a beneficiary of the future services supplied.
- (b) A conversion may be accomplished by all present persons named in the Electric Service Agreement requesting in writing a conversion of the membership, accompanied by a surrender of the Electric Service Agreement and by the signing of an Electric Service Agreement by the person(s) to be named in the new Electric Service Agreement.
- (c) In the event of a death of one person named in a joint Electric Service Agreement, the survivor or survivors shall have the right of conversion through similar steps, omitting the signature of the deceased.
- (d) Any conversion of membership shall be for the same service connection.
- (e) Upon any conversion of membership the person or persons named in the new Electric Service Agreement shall be responsible for the payment of any amounts due the Cooperative under the surrendered certificate, and all capital credits owned under the surrendered Electric Service Agreement shall become the property of the person or persons named in the new Electric Service Agreement.

#### **SECTION 5. MEMBERSHIP FEES**

There shall be no membership fee. Service connections, including line extensions to and for the member, shall be paid for in accordance with the then existing rates and tariffs of the Cooperative.

#### **SECTION 6. PURCHASE OF ELECTRIC SERVICE**

Each member shall, as soon as electric service shall be available, purchase from the Cooperative all electric service used on the premises specified in his Electric Service Agreement, and shall pay therefore at rates which shall from time to time be fixed by the Board. It is expressly understood that amounts paid for electric service in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric service consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

#### **SECTION 7. TERMINATION OF MEMBERSHIP**

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds ( $\frac{2}{3}$ ) of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws or Rules or Regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative of the charges that makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any Annual or Special Meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric service from the Cooperative, or of a member who has ceased to purchase service from the Cooperative, may be canceled by Resolution of the Board.
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall therefore terminate, and the Electric Service Agreement of such member shall be surrendered forthwith to the Cooperative or be cancelled by the cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (c) Termination of a membership shall not affect the ownership as then existing of capital credits accrued under the membership.

## **ARTICLE II NON-LIABILITY FOR DEBTS OF THE COOPERATIVE**

The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

## **ARTICLE III MEETINGS, ELECTIONS AND ACTIONS BY MEMBERS**

### **SECTION 1. ANNUAL MEETING**

The Annual Meeting of the members shall be held prior to July 1 of each year on such date and at such place and time as determined by the Board of Directors, which shall be designated in the notice of the meeting, for the purpose of transacting general business of the Cooperative and passing upon matters specifically set forth in the notice. The date so fixed for the Annual Meeting shall not be a legal holiday. Failure to hold an Annual Meeting through failure to obtain a quorum or for any other reason, shall not work a forfeiture or dissolution of the Cooperative, nor shall such failure interfere with the regular conduct of the business of the Cooperative.

### **SECTION 2. SPECIAL MEETINGS**

Special Meetings of the members may be called upon written request signed by any three members of the Board of the Cooperative, or by any fifty (50) members of the Cooperative, and it shall thereupon be the duty of the Secretary of the Cooperative to cause Notice to be given as hereinafter provided. The Board shall determine the time and place for the holding of each such Special Meeting.

### **SECTION 3. NOTICE OF MEMBERS' MEETINGS**

Written 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 not less than twenty-five (25) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, 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. For the purpose of notifying members of meetings, notice shall be sent to those members of record who are members 40 days prior to the date of the meeting.

### **SECTION 4. QUORUM**

- (a) Five per centum of the total number of members, or fifty (50) members, whichever is the lesser number, present in person, shall constitute a quorum at any called meeting of the members, for the transaction of ordinary business, subject to the quorum provisions for special actions as hereinafter set forth. The Board may authorize members to participate electronically in member meetings. A member who registers in person or electronically at any member meeting or who casts a vote through mail ballot or a secure electronic transmission system if authorized by the Board is considered present in person for the purpose of determining a quorum for action by the membership, including special actions as hereinafter set forth.
- (b) Neither the provisions of the Bylaws relating to the holding of elections for the selection of the members of the Board nor any of the Articles of Incorporation shall be amended unless ten per centum (10%) of the total number of members, or one hundred (100) members, whichever is the lesser number, present in person, shall attend a meeting called for any such specific purpose.
- (c) The Board may decide to call for actions by the members through mail balloting and/or electronically. The Board shall have power subject to applicable law to provide for and to direct the details of the balloting, including the description of the issue to be submitted, the notice to members, the form and control of the ballot, and the tabulation of the results of the mail balloting. The Board may authorize the use of a secure and verifiable electronic transmission system through which a member may apply for, receive, and return a ballot in an election.

- (d) Notwithstanding the provisions of paragraph (c) above, voting for members of the Board shall be allowed by mail-in ballots or by voting in person at the election for Board Members at the time and place specified in these amended Bylaws whenever more than one person has been nominated for a District pursuant to Article IV, Section 4. Voting electronically in a director election shall be allowed if the Board has authorized electronic voting pursuant to paragraph (c) above. A member who has voted by mail or electronically shall not be entitled to vote by another method, including at the meeting. To be elected, a nominee shall have received a plurality of all valid votes cast for each director at the election.

## **SECTION 5. VOTING**

Each membership shall be entitled to only one (1) vote upon each matter submitted to a vote of the membership. If a member votes electronically or by mail, the member will not be entitled to vote by another method, including in person. If a membership stands in the name of a husband and wife, or in the names of partners or business associates, the one vote for that membership shall be cast by the individual designated under the Bylaw applicable to joint memberships. There shall be no voting by proxy.

## **SECTION 6. ORDER OF BUSINESS**

The order of business at the Annual Meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

- (a) Report on the number of members present in person in order to determine the existence of a quorum.
- (b) Reading of the Notice of the meeting or proof of mailing thereof, or the Waiver or Waivers of Notice of the meeting, as the case may be.
- (c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon, unless waived.
- (d) Conduct election of members of the Board including tabulation of mail-in ballots if not already tabulated.
- (e) Presentation and consideration of reports of officers, trustees, and committees.
- (f) Unfinished business.
- (g) New business including consideration of any proposed amendments to Articles of Incorporation or Bylaws whether by mail-in ballots or otherwise.
- (h) Adjournment.

## **ARTICLE IV BOARD MEMBERS**

### **SECTION 1. GENERAL POWERS**

The business and affairs of the Cooperative shall be managed by a Board of seven (7) members (sometimes such members being called "Directors"). The Board shall exercise all the powers of the Cooperative except those powers conferred upon and reserved to the members.

### **SECTION 2. ELECTION AND TENURE OF BOARD MEMBERS**

- (a) For the purpose of the election of the members of the Board the areas serviced by the Cooperative are divided into seven (7) Districts. The areas comprising the several Districts are defined as follows:

#### **DIRECTOR DISTRICT NO. 1**

Beginning at a point on the north line of Section 18, T1S, R75W at the point of intersection with the centerline of US Highway 40. Thence east along the north line of Sections 18, 17, 16, 15, 14 & 13, T1S, R75W to the NE Corner of Section 13, T1S, R75W. Thence continuing east along the north line of Sections 18, 17 & 16, T1S, R74W to a point where the Mountain Parks Electric, Inc. service territory boundary intersects with the Grand County/Boulder County line. Thence south along the Grand County/Boulder County line to the point of intersection with the south line of Section 28, T1S, R74W. Thence west along the south line of Sections 28- 30, T1S, R74W to the SW Corner of Section 30, T1S, R74W. Thence continuing west along the south line of Sections 25-28, T1S, R75W to the point of intersection with the centerline of US Highway 40. Thence northerly along the centerline of US Highway 40 to the point of beginning. Located entirely within Grand County.

## **DIRECTOR DISTRICT NO. 2**

Beginning at the NW Corner of Section 7, T1S, R76W. Thence east along the north line of T1S to the point of intersection with the centerline of US Highway 40 on the north line of Section 7, T1S, R75W. Thence southerly along the centerline of US Highway 40 to the point of intersection with the north line of Section 33, T1S, R75W. Thence east along the north line of Sections 33-36, T1S, R75W to the NE Corner of Section 36, T1S, R75W. Thence continuing east along the north line of Sections 31 & 32, T1S, R74W to the NE Corner of Section 32, T1S, R74W. Thence south along the east line of Section 32, T1S, R74W to the SE Corner of Section 32, T1S, R74W. Thence continuing south along the Grand County/Gilpin County line to the point of intersection of the Grand County, Gilpin County, and Clear Creek County lines. Thence continuing south along the Grand County/Clear Creek County line to a point of intersection on the south line of Section 31, T2S, R74W. Thence west along the south line of T2S to the SW corner of Section 31, T2S, R76W. Thence north along the west line of R76W to the point of beginning. Located entirely within Grand County.

## **DIRECTOR DISTRICT NO. 3**

All of Jackson County, Colorado and that portion of Larimer County, Colorado lying west of the west line of R74W and north of the north line of T8N, except Sections 22-27 and 34-36, T9N, R75W. Containing all of Jackson County and portions of Larimer County.

## **DIRECTOR DISTRICT NO. 4**

Beginning at the NW Corner of Section 5, T5N, R83W. Thence east along the north line of T5N, R83W to the NE Corner of Section 1, T5N, R83W. Thence north along the Grand County/Routt County line to the point of intersection of the Grand County/Jackson County line. Thence easterly following the Grand County/Jackson County line to a point of intersection on the east line of Section 8, T4N, R78W. Thence south along the east line of Sections 8, 17, 20, 29 & 32, T4N, R78W to the SE Corner of Section 32, T4N, R78W. Thence continuing south along the east line of Sections 5, 8, 17, 20, 29 & 32, T3N, R78W to the SE Corner of Section 32, T3N, R78W. Thence continuing south along the east line of Sections 5, 8, 17, 20, 29 & 32, T2N, R78W to the SE Corner of Section 32, T2N, R78W. Thence continuing south along the east line of Sections 5 & 8, T1N, R78W to the SE Corner of Section 8, T1N, R78W. Thence east along the north line of Sections 16, 15, 14 & 13, T1N, R78W to the NE Corner of Section 13, T1N, R78W. Thence south along the east line of Sections 13, 24, 25 & 36, T1N, R78W to the SE Corner of Section 36, T1N, R78W. Thence east along the north line of T1S, R78W to the NE Corner of Section 1, T1S, R78W. Thence continuing east along the north line of Sections 6, 5, 4 & 3, T1S, R77W to the NE Corner of Section 3, T1S, R77W. Thence south along the east line of Section 3 to the SE Corner of Section 3, T1S, R77W. Thence east along the north line of Sections 11 & 12, T1S, R77W to the NE Corner of Section 12, T1S, R77W. Thence south along the east line of T1S, R77W to the SE Corner of Section 36, T1S, R77W. Thence continuing south along the east line of T2S, R77W to the SE Corner of Section 36, T2S, R77W. Thence west to the NE Corner of Section 1, T3S, R77W. Thence south along the east line of T3S, R77W to the SE Corner of Section 36, T3S, R77W. Thence continuing south along the east line of T4S, R77W to a point on the east line of Section 24, T4S, R77W where the Mountain Parks Electric, Inc. service territory boundary intersects with the Grand County/Summit County line. Thence westerly and northerly along the Grand County/Summit County line to a point of intersection on the south line of Section 31, T3S, R77W. Thence west along the south line of T3S, R77W to the SW Corner of Section 31, T3S, R77W. Thence continuing west along the south line of T3S to the SW Corner of Section 31, T3S, R79W. Thence north along the west line of R79W to the SE Corner of Section 36, T3S, R80W. Thence west along the south line of T3S to a point on the south line of Section 34, T3S, R80W where the Mountain Parks Electric, Inc. service territory boundary intersects with the Summit County/Eagle County line. Thence northerly and westerly



along the Summit County /Eagle County line to a point of intersection on the west line of Section 18, T3S, R80W. Thence north along the west line of R80W to the SE Corner of Section 25, T1S, R81W. Thence west along the south line of Sections 25-28, T1S, R81W to the SW Corner of Section 28, T1S, R81W. Thence north along the west line of Sections 28, 21, 16, 9 & 4, T1S, R81W to the NW Corner of Section 4, T1S, R81W. Thence continuing north along the extension of the west line of Section 4, T1S, R81W to a point of intersection on the south line of Section 28, T1N, R81W. Thence west along the south line of Sections 28-30, T1N, R81W to the SW Corner of Section 30, T1N, R81W. Thence continuing west along the south line of Sections 25-30 to the SW Corner of Section 30, T1N, R82W. Thence north along the west line of R82W to the NW Corner of Section 6, T4N, R82W, Thence west along the south line of T5N to the SW Corner of Section 32, T5N, R83W. Thence north along the west line of T5N, R83W to the point of beginning. Containing portions of Grand County, Summit County and Routt County.

### **DIRECTOR DISTRICT NO. 5**

Beginning at a point of intersection on the Grand County/Jackson County line and the centerline of Colorado State Highway 125 in Section 36, T5N, R78W. Thence easterly and northerly along the Grand County/Jackson County line to a point in Section 18, T6N, R75W where the Grand County/Jackson County line intersects with the Larimer County line on the Mountain Parks Electric, Inc. service territory boundary. Thence southerly along the Grand County/Larimer County line to a point on the south line of Section 35, T4N, R74W where the Grand County, Larimer County and Boulder County lines meet. Thence southerly along the Grand County/Boulder County line to a point where the Mountain Parks Electric, Inc. service territory boundary intersects with the south line of Section 10, T3N, R74W. Thence west along the south line of Sections 10, 9, 8 & 7, T3N, R74W to the SW Corner of Section 7, T3N, R74W. Thence continuing west along the south line of Sections 12, 11, 10, 9, 8 & 7, T3N, R75W to the SW Corner of Section 7, T3N, R75W. Thence continuing west along the south line of Section 12, T3N, R76W to the point of intersection with the centerline of US Highway 34. Thence southerly along the centerline of US Highway 34 to the point of intersection with the centerline of Grand County Road 4. Thence northerly and westerly along the centerline of Grand County Road 4 to the point of intersection with the centerline of Colorado State Highway 125. Thence northerly along the centerline of Colorado State Highway 125 to the point of beginning. Located entirely within Grand County.

### **DIRECTOR DISTRICT NO. 6**

Beginning at a point where the Grand County/Jackson County line intersects with the west line of Section 9, T4N, R78W. Thence easterly along the Grand County/Jackson County line to the point of intersection with the centerline of Colorado State Highway 125. Thence southerly along the centerline of Colorado State Highway 125 to the intersection with the centerline of Grand County Road 4. Thence southerly and easterly along the centerline of Grand County Road 4 to the intersection with the centerline of US Highway 34. Thence northerly along the centerline of US Highway 34 to the point of intersection with the north line of Section 13, T3N, R76W. Thence east along the north line of Section 13, T3N, R76W to the NE Corner of Section 13, T3N, R76W. Thence continuing east along the north line of Sections 18, 17, 16, 15, 14 & 13, T3N, R75W to the NE Corner of Section 13, T3N, R75W. Thence continuing east along the north line of Sections 18, 17, 16 & 15, T3N, R74W to a point where the Mountain Parks Electric, Inc. service territory boundary intersects with the Grand County/Boulder County line. Thence southerly along the Grand County/Boulder County line to a point where the Mountain Parks Electric, Inc. service territory boundary intersects with the south line of Section 25, T2N, R74W. Thence west along the south line of Sections 25-30, T2N, R74W to the SW Corner of Section 30, T2N, R74W. Thence continuing west along the south line of Sections 25-30, T2N, R75W to the SW Corner of Section 30, T2N, R75W. Thence continuing west along the south line of Sections 25 & 26, T2N, R76W to the point of intersection with the centerline of Grand County Road 60. Thence southerly along the centerline of Grand County Road 60 to the point of intersection with the centerline of 6th Street in Granby, Colorado. Thence south along the centerline of 6th Street to a point of intersection with the centerline of US Highway 40. Thence west along the centerline of US Highway 40 to the point of intersection with the east line of Section 31, T2N, R76W. Thence south along the east line of Section 31, T2N, R76W to the SE Corner of Section 31, T2N, R76W. Thence west along the south line of Section 31, T2N, R76W to the NE Corner of Section 1, T1N, R76.5W. Thence south along the east line of T1N, R76.5W to the SE Corner of Section 36, T1N, R76.5W. Thence west along the south line of Section 36, T1N, R77W to the NE Corner of Section 2, T1S, R77W. Thence south along the east line of Section 2, T1S, R77W to the SE Corner of Section 2, T1S, R77W. Thence west along the south line of Section 2, T1S, R77W to the SW Corner of Section 2, T1S, R77W. Thence north along the west line of Section 2, T1S, R77W to the NW Corner of Section 2, T1S, R77W. Thence west along the south line of T1N, R77W to the SW Corner of Section 31, T1N, R77W. Thence north along the west

line of T1N, R77W to the NW Corner of Section 18, T1N, R77W. Thence west along the south line of Sections 12, 11, 10 & 9 to the SW Corner of Section 9, T1N, R78W. Thence north along the west line of Sections 9 & 4, T1N, R78W to the NW Corner of Section 4, T1N, R78W. Thence continuing north along the west line of Sections 33, 28, 21, 16, 9 & 4, T2N, R78W to the NW Corner of Section 4, T2N, R78W. Thence continuing north along the west line of Sections 33, 28, 21, 16, 9 & 4, T3N, R78W to the NW Corner of Section 4, T3N, R78W. Thence continuing north along the west line of Sections 33, 28, 21, 16 and 9, T4N, R78W to the point of beginning. Located entirely within Grand County.

### **DIRECTOR DISTRICT NO. 7**

Beginning at the NW Corner of Section 6, T1N, R76W. Thence north along the west line of Section 32, T2N, R76W to the point of intersection with the centerline of US Highway 40. Thence east along the centerline of US Highway 40 to the point of intersection with the centerline of 6<sup>th</sup> Street in Granby, Colorado. Thence north along the centerline of 6<sup>th</sup> Street to the point of intersection with the centerline of Grand County Road 60. Thence easterly and northerly along the centerline of Grand County Road 60 to a point of intersection with the north line of Section 35, T2N, R76W. Thence east along the north line of Sections 35 & 36, T2N, R76W to the NE Corner of Section 36, T2N, R76W. Thence continuing east along the north line of Sections 31-36, T2N, R75W to the NE Corner of Section 36, T2N, R75W. Thence continuing east along the north line of Sections 31-36, T2N, R74W to a point where the Mountain Parks Electric, Inc. service territory boundary intersects with the Grand County/Boulder County line. Thence south along the Grand County/Boulder County line to the point of intersection with the south line of Section 9, T1S, R74W. Thence west along the south line of Sections 9, 8 & 7, T1S, R74W to the SW Corner of Section 7, T1S, R74W. Thence continuing west along the south line of Sections 12, 11, 10, 9, 8 & 7, T1S, R75W to the point of intersection with the centerline of US Highway 40. Thence north along the centerline of US Highway 40 to a point of intersection on the south line of Section 6, T1S, R75W. Thence west along the south line of Section 6, T1S, R75W to the SW Corner of Section 6, T1S, R75W. Thence continuing west along the south line of Sections 1-6, T1S, R76W to the SW Corner of Section 6, T1S, R76W. Thence continuing west along the south line of Section 1, T1S, R77W to the SW Corner of Section 1, T1S, R77W. Thence north along the west line of Section 1, T1S, R77W to the NW Corner of Section 1, T1S, R77W. Thence east along the north line of Section 1, T1S, R77W to the SW Corner of Section 31, T1N, R76W. Thence north along the west line of T1N, R76W to the point of beginning. Located entirely within Grand County.

- (b) Each elected or appointed Director shall continue as a member of the Board until, by election held in and for the district for which the director qualified, a member of the Board for that district shall have been elected for a new term of four (4) years, and until that new term commences.
- (c) There shall be held an election in each District for the naming of the Board Member to represent that District. Members residing in or receiving service in a District shall be the only members entitled to vote in a District Election. No member shall vote in more than one District. If a member is receiving service in more than one District, the member shall state in writing, delivered to the Cooperative, in which District the member shall vote.
- (d) The District elections shall be held at the Annual Meeting, such place to be selected by the Board of Directors and shall be clearly identified in the call for election and Notice of Annual Meeting.
- (e) The date for each District election which shall be held every four (4) years for each District as set forth in Section 2 (f) below, shall be fixed in each instance by the Board of Directors as the date of the Annual Meeting, and shall be stated in the call for election and Notice of Annual Meeting.
- (f) Commencing in 2017, there shall be an election for Districts No. 4, No. 6, and No. 7 and every fourth year thereafter. Commencing in 2018, there shall be an election for Districts No. 2 and No. 5 and every fourth year thereafter. Commencing in 2019 there shall be an election in Districts No. 1 and No. 3 and every fourth year thereafter.
- (g) The term of each member of the Board selected at a District election shall commence upon their election and shall be for a term of four (4) years thereafter. If for any reason a District election is not held or a member is not validly elected, then the incumbent Board Member shall continue in office until an election is held for the District

that the Board Member represents and the term begins for the Board Member selected at that election.

- (h) Voting at District elections shall be by ballot upon which shall appear the names of all members nominated to represent the District as a Board Member.
- (i) The Board shall have power to fix all of the procedures for the holding of District Elections (subject to the limitations set forth in this SECTION and applicable law) including selection of place and date, hours for balloting, the naming of staff members as judges of election or selecting an independent third party to oversee the storage and counting of ballots, the checking of the identity of each member wishing to vote, the care and counting of the ballots, the method to be used to break a tie vote, the form of announcing the name of the elected member, and the extent of time for keeping the ballots.
- (j) The candidates shall be listed randomly so that an incumbent is not automatically assigned the top line.
- (k)
  - i. Candidates for positions on the Board of Directors shall be entitled to receive membership lists, in a usable format, on the same basis and at the same time as such lists are made available to incumbent Directors running for reelection. Candidates shall use such lists only for purposes of the election and shall return or destroy them immediately after the election.
  - ii. Neither the Cooperative nor the Board of Directors shall endorse or oppose the candidacy of an incumbent board member or other candidate for a position on the Board. During the two months immediately preceding the election, Board members shall not send individual newsletters using the Cooperative's resources.
- (l) The Board of Directors, at intervals of not greater than ten years from and after the 2016 Annual Meeting of members, shall review the District boundary lines as established in Article IV, Section II(a) and the number of members in each District for the purpose of establishing equality of representation by Directors of members to the extent practical, given the historical development of the Cooperative, the natural and geographic conditions, the existing residential, commercial and industrial development, and the potential for changes in growing of population and development in the succeeding ten year period. Nothing herein shall require the Board of Directors to retain the historical District boundaries, provided, however, the minimum number of Districts shall be seven. In the event the Board of Directors determine redistricting is appropriate, it shall timely propose new boundary lines prior to an Annual Meeting to be voted on as a Bylaw amendment by the members according to election procedures then applicable.
- (m) If a District is created by a vote of the membership and a current Director is serving a term which extends beyond the date of the creation of the District, and such Director would be qualified to serve in the new District, such Director shall be the Director for the new District provided he/she is willing to serve. If two Directors are qualified to serve in a newly created District and both seek to serve the new District, an election shall be promptly held between such Directors for the newly created District. Any Director who is not willing to serve shall be deemed to have resigned as a Director as of the date of the appointment of a new Director for the newly created District unless such Director resigns as of an earlier date. In the event the existing Director(s) is not willing to serve as a Director for the new District, the remaining Board of Directors shall appoint a person to be a Director for the remainder of the initial term for a new District.
- (n) In the event a District is created by a vote of the membership and no existing Director is qualified to serve the new District, the Board of Directors shall appoint a member to fill the Director position(s) for such newly formed District(s). Such appointment shall be made within ninety (90) days of the creation of the new District.

### **SECTION 3. QUALIFICATIONS**

- (a) Each candidate for election to the Board shall be a member of the Cooperative and shall have his/her "main home" in the District for and in which the election is to be held, (as the term "main home" is defined by the Internal Revenue Service), and who shall have furnished the Cooperative with a written statement telling why the member wishes to run for election and that the member, if elected, can and will attend all meetings of the Board, subject only to unforeseen conditions beyond the control of the member, and meets or will meet the qualifications

set forth in subparagraph (b) below.

- (b) To be eligible to become or remain Director, the person shall: (i) be a member of the Cooperative; (ii) receive electric service from the Cooperative at his or her “main home”; (iii) be able to actively participate in the management of the business and affairs of the Cooperative; (iv) not be employed by, substantially financially interested in, or represent the interests of a business in competition with the Cooperative; and (v) become NRECA certified as a director through course attendance within five (5) years of the election or appointment as a Director.

- (i) No more than two (2) Directors (other than a publicly elected government official) shall be permitted to serve concurrently who are either employees of, serve as a Director or trustee of, or act as a consultant to, the same organization. Employee means employment for at least 20 hours per week for 20 consecutive weeks.

- (ii) If a circumstance described in (i) arises after a Director is elected, the Director who obtains a relationship with an organization subsequent to the formation of a relationship with an organization by other Directors shall be disqualified from serving.

#### **SECTION 4. NOMINATIONS**

- (a) Any fifteen (15) or more members residing or receiving service in a District which is called for election at the next Annual Meeting may make nominations for Director for that District by a petition signed by said members and delivered to the Cooperative at least sixty (60) days prior to the date of the Annual Meeting.
- (b) A notice of all candidates for all Districts shall be kept posted and available to members in the Cooperative’s office in Granby and such other Cooperative office in the District of such election.
- (c) No additional nominations shall be considered after preparation of the Notice of Annual Meeting by the Cooperative in readiness for mailing to the members in the District.

#### **SECTION 5. REMOVAL OF BOARD MEMBER BY MEMBERS**

Any member may bring charges against a Board Member and by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum (10%) of the members, may request the removal of such Board Member by reason thereof. Such Board Member shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board Member shall be considered and voted on at the meeting of the members and vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

#### **SECTION 6. REMOVAL OF BOARD MEMBER BY THE BOARD OF DIRECTORS**

Upon the affirmative vote of two thirds (2/3) of the Board of Directors after at least ten (10) days written notice to the Board Member, the Board of Directors may remove a Board Member for failing to attend three consecutive regular meetings of the Board of Directors unless one of the absences is excused by the Board of Directors, or failing to become or remain qualified as a member as set forth in Article IV, Section 3 (a) and (b), or for breaching a fiduciary duty owed to the Cooperative pursuant to applicable law. The notice to the Board Member sought to be removed shall identify the ground(s) for removal and such Board Member shall have an opportunity to be heard at the Board meeting scheduled for the removal action.

#### **SECTION 7. VACANCIES**

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Board Members by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board Members for the unexpired portion of the term.

#### **SECTION 8. COMPENSATION**

Directors as such shall not receive any salary for their services, but by Board resolution a fixed sum and expenses of attendance, if any, may be allowed for attendance at Board meetings, committee assignments and such other meetings including meetings of industry organizations in which the Cooperative is a member and which organization does not pay a per diem, conventions, programs and events which assist the Board to do and perform all acts and things and exercise any powers which may be necessary, convenient or appropriate to accomplish the purposes for which the Cooperative is organized. In addition, the Cooperative may, at its expense, purchase life and liability insurance on and for its Directors. No Director shall receive compensation for serving the Cooperative in any other capacity, including as a Director of any subsidiary or subsidiary affiliate of the Cooperative. Any close relative of a Director shall not receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the members. "Close relative" means a person who is related by a degree of consanguinity or affinity to the third degree, namely spouse, child, grandchild, great grandchild, parent, grandparent, great grandparent, brother, sister, aunt, uncle, nephew or niece, by blood or in-law.

## **ARTICLE V MEETINGS OF BOARD**

### **SECTION 1. REGULAR MEETINGS**

A regular meeting of the Board of Directors shall be held monthly as the Board of Directors may provide and upon reasonable notice to all available Directors. A Director may participate and vote electronically in any regular meeting of the Board of Directors. Each Director attending any regular meeting of the Board of Directors electronically shall be deemed to be present in-person for the purpose of establishing a quorum and all other purposes.

### **SECTION 2. SPECIAL MEETING**

Special Meetings of the Board may be called by the President or by any three Board Members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given. The President or Board Members calling the meeting shall fix the time and place for the holding of the meeting. A Director may participate and vote electronically in any special meeting of the Board of Directors. Each Director attending any special meeting of the Board of Directors electronically shall be deemed to be present in-person for the purpose of establishing a quorum and all other purposes.

### **SECTION 3. NOTICE OF BOARD MEETINGS**

Written notice of the time, place and purpose of any Special Meeting of the Board shall be delivered to each Board Member personally, electronically, or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Board Member calling the meeting. An electronically transmitted notice of a Special Meeting of the Board shall be deemed to be delivered on the date electronically sent to the Board Member at the Member's electronic mail address shown in the Cooperative's records. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board Member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting.

### **SECTION 4. QUORUM**

A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board Members of the time and place of such adjourned meeting. The act of a majority of the Board Members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

## **ARTICLE VI OFFICERS**

### **SECTION 1. NUMBER**

The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board from time to time. The office of Secretary and Treasurer may be held by the same person. All officers shall be members of the Board of Directors.

## **SECTION 2. ELECTION AND TERM OF OFFICE**

The officers shall be elected by ballot, written or voice, annually by and from the Board of Directors at the first meeting of the Board of Directors held after the Annual Meeting of the members. If the election of the officers shall not be held at such meeting, such election shall be held as soon as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding Annual Meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Directors for an unexpired portion of the term.

## **SECTION 3. REMOVAL OF OFFICERS AND AGENTS BY THE BOARD**

Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum (10%) of the members may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

## **SECTION 4. PRESIDENT** - The President shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;
- (b) sign, with the Secretary, if required, 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 Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

## **SECTION 5. VICE PRESIDENT** – The Vice President shall:

- (a) in the absence of the President, or in the event of his inability or refusal to act, perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President.
- (b) also perform such other duties as from time to time may be assigned to him by the Board.

## **SECTION 6. SECRETARY** - The Secretary shall:

- (a) be responsible for keeping the minutes of the meetings of the members and the Board in books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) be responsible for the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issue thereof, and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) be responsible for keeping a register of the names and post office addresses of all members;
- (e) be responsible for keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any

member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to any member upon request; and

- (f) be responsible for performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

**SECTION 7. TREASURER** – The Treasurer shall:

- (a) be responsible for custody of all funds and securities of the Cooperative;
- (b) be responsible for the receipt of the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- (c) be responsible for performing all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

**SECTION 8. MANAGER**

The Board may appoint a Manager who may be, but who shall not be required to be, a member of the Cooperative. The Manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in such person.

**SECTION 9. BONDS OF OFFICERS**

The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board shall determine, if any. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine. The Cooperative shall pay the premiums on all bonds required by it.

**SECTION 10. COMPENSATION**

The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of these Bylaws with respect to compensation for a Board Member and close relative of a Board Member as set forth in Article IV, Section 8.

**SECTION 11. REPORTS**

The officers of the Cooperative shall submit at each Annual Meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

**ARTICLE VII**

**NON-PROFIT OPERATION**

**SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED**

The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its patrons, provided, however, the Cooperative may engage in one or more businesses which are related to providing products and services to obtain profits so long as such profits are for the mutual benefit of its members, or to its members and other customers. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY**

- (a) In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike (hereinafter patrons), will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons, for all amounts received and receivable from and directly related to the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy (hereinafter referred to as "Electric

Margins”). All Electric Margins, at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the patrons, as capital. The Cooperative is obligated to allocate by credits to a capital account for each patron all such Electric Margins. The books and records of the Cooperative shall be set up and kept in such a manner that as of the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron shall obtain the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

If operating costs and expenses exceed the amounts received and receivable from the furnishing of electric energy, hereinafter referred to as “loss”, then the Board shall have the authority, under accepted accounting practices, loan covenants, and federal cooperative tax law, to prescribe the manner in which such loss shall be handled in determining patronage capital.

- (b) All amounts received by the Cooperative in excess of costs and expenses, other than Electric Margins and net margins derived from other goods and services provided on a patronage basis pursuant to Section 2(j) of this Article, shall be (i) used to offset any losses incurred during the current or any prior fiscal year, as determined by the Board; (ii) to the extent not used for that purpose, available to create unallocated reserves and retained capital not currently assignable to the patrons; and (iii) to the extent not used for these purposes, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.
- (c) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired at the discretion of the Board. The Board, acting under policies of general application, may, in its consideration of the method, basis, priority and order of retirement, retire amounts furnished as capital at a discount.
- (d) Capital credited to the account of any patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the patron and only to succeeding owners of all or a part of such patron's premises served by the Cooperative, or to succeeding occupants thereof. Unless the Board of Directors shall modify this provision by a statement of general policy to be applicable to assignments, no assignment of capital credited to the account of any patron shall be accepted or recognized if the patron is indebted to the Cooperative for services or supplies unless the assignment applies only to amounts of capital exceeding the indebtedness to the Cooperative;
- (e) The Cooperative, before the transfer in full or in part or in the retirement of any capital credit to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the rate of 12% per annum or that allowed on judgments in Colorado Courts, whichever is greater. By becoming members of the Cooperative, all members are deemed to have granted a first lien on all capital credits or patronage refunds held for the member by the Cooperative to secure the payment of all indebtedness of the member to the Cooperative. The first lien may be perfected by possession of the collateral under the Uniform commercial Code or through the filing of a Financing Statement with the office of the Secretary of State. The Articles of Incorporation, Bylaws, tariffs and rules and regulation of the Cooperative shall constitute a security agreement under the Uniform Commercial Code.
- (f) Notwithstanding the provisions of subparagraph (e) above, a member whose electric service account has not been delinquent in the twelve months preceding an application for a “value added patronage loan” for a program which has been approved by the Board of Directors, a patron may assign to the Cooperative all or a portion of credits allocated to their capital account as security for the loan. Such security shall take precedence over, but not extinguish, the first lien granted on capital credits by subparagraph (e). The security may be perfected in the same manner as provided in subparagraph (e).
- (g) Notwithstanding any other provision of these Bylaws, the Board at its discretion, shall have the power at any time upon the death of any patron, who is a natural person, if the legal representatives of the estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be



retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representative of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

- (h) If the Board orders the retirement of some part of the capital credited to a patron's account by a check and if any such check is unclaimed after six (6) months of issue, the Cooperative shall make a reasonable effort to locate the patron named on the unclaimed check. The Cooperative shall be deemed to have made a reasonable effort if it publishes a list of those unclaimed checks on the Cooperative's website. If the retirement amount remains unclaimed for a period of three (3) years after the date of original issue, then the amount of capital so represented shall be paid to a special fund of the Cooperative. The Board, at its discretion, may authorize withdrawals from the fund only for payment of such scholarships, educational aids, or other public purposes, but limited to the promotion of the educational and/or public welfare of persons residing within or projects within the service area of the Cooperative.
- (i) The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative 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. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.
- (j) In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishings of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons, from whom such amounts were obtained.

## **ARTICLE VIII DISPOSITION OF PROPERTY**

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two thirds ( $\frac{2}{3}$ ) of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative, 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 Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income there from, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative to United States of America or to any instrumentality or agency thereof; or to any organization created for the purpose of aiding Cooperatives generally and approved by the Rural Utilities Service.

## **ARTICLE IX 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".

## **ARTICLE X FINANCIAL TRANSACTIONS**

### **SECTION 1. CONTRACT**

Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute or deliver any instrument in the name and on behalf of the Cooperative and such authority may be general or confined to specific instances.

## **SECTION 2. CHECKS, DRAFTS, ETC.**

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

## **SECTION 3. DEPOSITS**

All funds, except petty cash and assets of the Education Fund provided for herein, of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such banks as the Board may select.

## **SECTION 4. CHANGE IN RATES**

Written notice may be given to the Administrator of the Rural Utility Service of the United States of America. Members, the public and other governmental agencies shall be given notice as required by the Cooperative's regulations and as required by law.

## **SECTION 5. FISCAL YEAR**

The fiscal year of the Cooperative 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 Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided, however, that the Cooperative may upon the authorization of the Board, purchase stock in or become a member of any Corporation or organization, or invest in or establish a subsidiary organization or corporation, which may be organized either for profit or not-for-profit provided all amounts received and receivable there from are applied in accordance with Article VII of these Bylaws.

## **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 a member or Board Member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully 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 Cooperative.

## **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 the Cooperative's lenders. The Board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following Annual Meeting.

## **SECTION 5. AREA COVERAGE**

The Board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who:

- (a) Desire such service and;
- (b) Meet all reasonable requirements established by the Cooperative as a condition of such service.

## **SECTION 6. INDEMNIFICATION OF DIRECTORS**

The Directors shall be entitled to indemnification in accordance with the Cooperative's Articles of Incorporation and the laws of the State of Colorado.

## **ARTICLE XII AMENDMENTS**

- (a) Except as to Article III, Section 4 and 5, Article IV, and Article VII, Section 1, these Bylaws may be amended, altered, repealed and supplemented by a two-thirds ( $\frac{2}{3}$ ) affirmative vote of the Directors then serving.
- (b) The Articles and Sections referred to in paragraph (a) may be altered, amended, or repealed by:
  - i. the members at any Annual or Special Meeting, subject to the provisions as to quorum, provided that the notice of the meeting shall have contained a copy of the proposed alteration, amendment or repeal (The proposed alteration, amendment or repeal shall be sponsored by either 1) a written petition signed by 5 percent of the total number of members or one hundred (100) members, whichever is the lesser number, and delivered to the Cooperative no later 65 days prior to the date of the Annual or Special Meeting, or 2) by the Board of Directors); or
  - ii. the Board of Directors upon a two-thirds ( $\frac{2}{3}$ ) affirmative vote of the Directors then serving, if such alteration, amendment, or repeal, is necessary to comply with any applicable law, rule, or regulation, as determined by the Board of Directors after consultation with legal counsel.
- (c) No amendments to or changes in the proposals set forth in the call for the members meeting shall be permitted at the meeting, and voting shall be limited to acceptance or rejection of the alteration, amendment or repeal as stated in the call.