



BIG HORN RURAL ELECTRIC COMPANY

BYLAWS

TABLE OF CONTENTS

Article I.
General Provisions, Usage, and Membership.....Pg. 1-6

Article II.
Member Meetings & Member Voting.....Pg. 6-8

Article III.
Board of Directors.....Pg. 8-12

Article IV.
Board Meetings & Director Voting.....Pg. 12-13

Article V.
Officers.....Pg. 13-15

Article VI.
Cooperative Operation.....Pg. 15

Article VII.
Contracts, Checks and Deposits.....Pg. 15

Article VIII.
Membership Certificates.....Pg. 15

Article IX.
Cooperative Operation.....Pg. 15-17

Article X.
Waiver of Notice.....Pg. 17-18

Article XI.
Disposition and Pledging of Property;
Disposition of Surplus Assets on Dissolution.....Pg. 18

Article XII
Savings Clause.....Pg. 18

Article XIII.
Fiscal Year.....Pg. 18

Article XIV.
Rules of Order.....Pg. 18

Article XV.
Seal.....Pg. 19

Article XVI.
Amendments.....Pg. 19

BYLAWS

BIG HORN RURAL ELECTRIC COMPANY

ARTICLE I

GENERAL PROVISIONS, USAGE, AND MEMBERSHIP

SECTION 1.01 General Provisions. These Bylaws are subject to Wyoming state law (“law”) and the Articles of Incorporation (“Articles”) for Big Horn Rural Electric Company (“Cooperative”). If, and to the extent that, a Bylaw conflicts with law or the Cooperative’s Articles, then law or the Articles control. Law includes all applicable and jurisdictional federal, state, and local laws and regulations.

SECTION 1.02 Usage. Within these Bylaws as currently existing or as later amended, except as otherwise provided and subject to the context requiring otherwise:

- (1) words and phrases have their customary and ordinary meaning;
- (2) the singular use of a word includes the plural use and the plural use of a word includes the singular use;
- (3) the masculine use of a word includes the feminine and neutral uses, the feminine use of a word includes the masculine and neutral uses, and the neutral use of a word includes the masculine and feminine uses;
- (4) the present tense of a word includes the past and future tenses, and the future tense of a word includes the present tense;
- (5) the word “individual” means a “natural person” or “human being.”
- (6) the word “entity” means any corporation, limited liability company, partnership, trust, government body or subdivision thereof, or other body politic.
- (7) the word “person” means any individual or any entity.
- (8) the word “Member” may be used interchangeably with “member” and shall refer to any individual or entity as hereinabove or hereinafter described. The word “Member” also includes a Joint Membership as hereinafter defined and as the context requires.
- (9) the Board of Directors of the Cooperative may be referred to variously as “Board,” or “Directors,” or “Board of Directors.” Unless the context requires otherwise, the use of these terms refers to the entire Board and not any one individual or group of individuals.

SECTION 1.03 Membership Eligibility. Any person is eligible to become and remain a member of the Cooperative, as required or

allowed by law, if such person receives, uses, and/or purchases electricity and related Cooperative services from or through the Cooperative. No person may hold more than one (1) Cooperative membership. Unless required by law or otherwise provided in these Bylaws, no Cooperative membership and no right or privilege associated with Cooperative membership, may be sold, purchased, assigned, or otherwise transferred.

SECTION 1.04 Membership Agreement: Every member shall sign and execute a membership application, and shall agree to follow, abide by, and be legally bound to, the governing documents, which include the membership application, the Bylaws, and all rules, regulations, and policies of the Cooperative. As provided in these Bylaws, the Cooperative may terminate any member’s Cooperative Service for the Member’s failure to follow or abide by the governing documents or any provision thereof. By becoming a Member, each Member acknowledges that:

1. Every Member is a vital and integral part of the Cooperative.
2. The Cooperative’s successful operation depends upon every Member complying with the governing documents.
3. All Members are in an interdependent relationship.

SECTION 1.05 Membership Procedures: Any person seeking to become a Member must complete the following procedures (“Membership Procedures”):

1. Prior to using, receiving, or purchasing Cooperative Services, complete a written membership application provided by the Cooperative in which the person agrees to:
 - a. Comply with:
 - i. All applicable law and legally binding agreements regarding the:
 1. Cooperative
 2. Cooperative’s Operation
 3. Cooperative’s Assets
 4. Cooperative’s Members and Patrons; and
 5. Provision, use, receipt and purchase of Cooperative Services including.
 - ii. The Cooperative’s Articles of Incorporation;
 - iii. These Bylaws;
 - iv. The Cooperative’s Rules and Regulations as filed with the Wyoming Public Service Commission;

- v. The National Electrical Safety Code;
- vi. The Cooperative's rate and price schedules;
- vii. Any policy, resolution, action or amendment adopted by the Cooperative's Board of Directors ("Board") or Membership; as any of these materials currently exist, or as later amended; and
- b. Be a Member; and
- c. At tariffs, prices, rates or amounts determined by the Board, and in a manner specified by the Cooperative, pay the Cooperative for all:
 - i. Cooperative Services used, received or purchased:
 - 1. By the Member; or
 - 2. For, any dwelling, facility or structure owned, controlled or occupied by the Member; and
 - ii. Dues, assessments, fees, deposit, contributions, construction advances, or other amounts required by these Bylaws, Board policies, or by law.
- 2. Complete any additional or supplemental document or contract required by the Board for the Cooperative Service which the member is seeking to use, receive or purchase;
- 3. Pay the Cooperative any dues, assessment, fee, deposit, contribution or other amount required by these Bylaws, Board policies, or by law;
- 4. Pay the Cooperative any outstanding amounts owed the Cooperative by the person, unless waived in writing by the Board or waived pursuant to Board policy generally applicable to all persons applying for membership.

SECTION 1.06 Automatic Membership: Unless the Board determines otherwise as provided in the Bylaws, upon:

- 1. Completing the Membership Procedure to the Cooperative's satisfaction; and
- 2. Using, receiving, or purchasing Cooperative electric service, the person automatically becomes a Member of the Cooperative effective the date the person began using, receiving or purchasing service.

The Cooperative may issue a member certificate to each Member in a manner, method and form determined by the Board.

If the Board determines that any person is unable to comply with the Governing Documents, then the Board may refuse the person membership in the Cooperative. For other good cause determined by the Board, the Board may refuse a person membership in the Cooperative.

If the Board refuses membership to any person, that person must pay for:

- a. Amounts due for using, receiving, or purchasing any Cooperative Service; and
- b. Outstanding amounts previously owed the Cooperative, and any associated interest or late payment charges.

SECTION 1.07 Joint Membership: As provided in the Bylaws, any two individuals joined in a legal relationship or residing at the same location may apply for joint membership in the Cooperative ("Joint Membership").

- 1. Creating Joint Memberships: A Joint Membership is created by jointly signing and executing a membership application and by jointly completing the Membership Procedures.
- 2. Joint member Rights and Obligations: A Joint Membership has and may enjoy all the rights, benefits and privileges, and is subject to all the obligations set forth in the governing documents.
- 3. Effect of Joint Member Actions: For each Joint Membership:
 - a. Notice of any meeting provided to either individual, or waiver of notice of any meeting signed by either individual, constitutes notice or waiver of notice for both individuals comprising the Joint Membership;
 - b. The presence of either or both individuals at any meeting:
 - i. Constitutes the presence of one (1) Member at the meeting;
 - ii. Waives notice of the meeting for both individuals comprising the Joint Membership;
 - iii. Revokes any Member proxy appointment previously executed by the attending individual;
 - iv. May invalidate any Member proxy appointment previously executed by the attending individual.

- c. Only one (1) individual in a Joint Membership may vote on any matter; this vote binds the Joint Membership and constitutes one (1) vote.
 - d. An individual belonging to a Joint Membership, otherwise qualified, is eligible to serve as a member of the Board ('Director'). If both individuals are qualified to serve as a Director, then either may serve, but not both.
4. **Joint Membership Conversion and Termination:** Upon death, divorce, or other legal conclusion of the relationship between the individuals comprising the Joint Membership; ;
- a. If either individual continues to legally use, receive, or purchase a Cooperative Service at the same location, then the Joint Membership converts to a membership in the name of that individual; continuing to legally use, receive, or purchase a Cooperative Service at the same location;
 - b. If neither individual continues to legally use, receive, or purchase a Cooperative Service the Joint Membership terminates. However, any amounts owed to the Cooperative shall survive termination of the Joint Membership and the individuals shall be jointly and severally liable for all amounts owing.

SECTION 1.08 Provision of Cooperative Services: The Cooperative shall provide Cooperative Services in a reasonable manner. The Cooperative, however, neither guarantees nor warrants continuous or flawless provision of Cooperative Services.

Upon compliance with relevant provisions of the Wyoming Public Service Commission Rules and Regulations, including notice provisions, the Cooperative may suspend or terminate any Cooperative Services to any Member upon:

- 1. Determining that a Member has tampered or interfered with, damaged or impaired, any product, equipment, structure, or facility furnished or used by the Cooperative to provide, monitor, measure, or maintain any Cooperative Service ("Cooperative Equipment").
- 2. Discovering the unsafe condition of any Cooperative Equipment; or

- 3. Discovering any imminent hazard or danger posed by any Cooperative Equipment or Service; or
- 4. Other reasons allowed by law.

SECTION 1.09 Purchase of Cooperative Power: As required or allowed by law, and unless otherwise specified in writing by the Board, each Member shall use, receive or purchase Cooperative Services from the Cooperative. Each member shall, for so long as such premises are owned or directly occupied or used by the Member, purchase from the Cooperative all central station or distributed generation electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to membership, unless and except to the extent that the Board of Directors may, in writing, waive such requirements, and shall pay for Cooperative Services at times and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into. If the Member desires to produce or use electric energy supplied by other than the Cooperative on such premises, regardless of the source thereof, the Member must obtain permission from the Cooperative prior to such production or use. No facilities shall be interconnected with Cooperative facilities without prior permission of the Cooperative and, if permission is granted, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

Each member shall comply with and abide by any policy, program, rule, procedure, or other determination promulgated by the Board regarding the provision of Cooperative Services to the Member.

As determined by the Board, Members shall pay interest, compounded periodically, and late payment fees for all amounts owed but not timely paid to the Cooperative. Notwithstanding the Cooperatives' accounting procedures, the Cooperative may apply all amounts paid by any Member to all of the Member's accounts on a pro rata basis, or as otherwise determined by the Board.

SECTION 1.10 Maintaining Member Location: Each Member shall maintain or cause to be maintained every dwelling or structure owned, controlled, or directly occupied by the Member, and at which the Cooperative provides any service, as required by the Governing

Documents and in accordance with the specifications of the Wyoming Department of Fire Prevention and Electric Safety, The National Electric Code, and any applicable state code or local government ordinances, and of the Cooperative. If the foregoing specifications are variant, the more exacting standards shall prevail.

Each Member shall be responsible for, and shall indemnify the Cooperative, its employees, agents and independent contractors against death, injury, loss or damage resulting from any improperly maintained or defect in or improper use of such premises and all wiring and apparatuses connected thereto or used thereon. In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

SECTION 1.11 Member Grant of Property Rights: As determined or required by the Cooperative, each Member shall:

1. Provide the Cooperative temporary, or permanent, safe and reliable access to, and use of, any portion of Member's property; and
2. Upon request from and without charge to the Cooperative, grant and convey, and execute any document reasonably requested by the Cooperative to grant and convey to the Cooperative any written easement, right-of-way, license, or other property interest in any real or personal property in which the Member possesses any legal right and which is reasonably necessary to:
 - a. Purchase, install, construct, inspect, monitor, repair, maintain, remove, or relocate any Cooperative Equipment;
 - b. Provide, monitor, measure, or maintain any Cooperative Service;
 - c. Satisfy or facilitate any obligation incurred or right granted by the Cooperative regarding the use of Cooperative Equipment; or
 - d. Safely, reliably, and efficiently:
 - i. Operate the Cooperative; or
 - ii. Provide any Cooperative Service to the Member or other Members or customers beyond a Members' property.

Unless otherwise determined by the Board, the Cooperative owns all Cooperative Equipment. No Member shall tamper or interfere with, damage, or impair any Cooperative Equipment. Each Member shall

protect all Cooperative Equipment, and shall install, implement, and maintain any protective device or procedure required by the Cooperative.

Each Member shall comply with any procedure required by the Cooperative regarding the provision of any Cooperative Service to any Member or person.

SECTION 1.12 Indemnification: Each Member shall indemnify the Cooperative for, and hold the Cooperative harmless from any expense, costs, liabilities or damages, including reasonable attorney fees and legal expenses, incurred by the Cooperative, or any Cooperative Director, Officer, employee, agent, representative or contractor, because of any property damage, personal injury or death, resulting from the Member's negligence, intentional interference with Cooperative operations or systems, or failure to comply with the Governing Documents, including loss of revenue, if any, resulting from the same.

SECTION 1.13 Member Termination: The Cooperative may terminate a Membership as provided in this Bylaw and allowed by law.

1. Termination Reasons: The Cooperative may terminate a Membership if the Member:

- a. Fails to timely pay any amounts due to the Cooperative;
- b. Fails to timely comply with the Governing Documents;
- c. Ceases using, receiving service, or purchasing power from the Cooperative;
- d. Dies, or in the case of a Joint Membership, legally dissolves, or legally ceases to exist;
- e. Voluntarily requests termination; or

as otherwise provided in these Bylaws, or for other good cause determined by the Board (collectively, "Termination Reason").

Termination of a membership does not release the former Member of any debts, liabilities, or obligations owed to the Cooperative. Upon a Member's termination from the Cooperative and after deducting any amounts owed to the Cooperative, the Cooperative shall return to the Member the security deposit paid by the Member.

Other than the right to receive retired and refunded Capital Credits and Affiliated Capital Credits, a suspended Member forfeits and relinquishes all rights provided in the Governing Documents. In particular, and without limitation, a terminated Member forfeits and relinquishes all voting rights provided by these Bylaws.

SECTION 1.14 Membership List: The Cooperative shall maintain a record of current Members in a form permitting the Cooperative to print an alphabetical list of names and addresses of all Members. Upon written request in a form prescribed by the Board and at least five (5) business days before production;

1. At a reasonable time and location specified by the Cooperative, a Member may inspect and copy the names and addresses included in the Membership List; or
2. If reasonable, as determined by the Cooperative, and upon a Member paying the Cooperative a reasonable charge determined by the Cooperative covering the Cooperative's labor and material cost of preparing and/or copying the Membership list, the Cooperative shall provide to the Member a copy of the names and addresses included on the Membership list.

The Member's right to the Membership list is conditioned on the following:

1. The Member is in good standing with the Cooperative;
2. The Member's request is made in good faith and for a proper purpose;
3. The Member describes with reasonable particularity the Member's purpose for inspecting or copying the Membership list; and
4. The Membership list is directly and appropriately connected with the Member's purpose.

Without the Board's consent, however, a Member may not inspect, copy, or receive a copy of the names and addresses of the Membership for any purpose unrelated to the Member's interest as a Member. Likewise, without the Board's consent, the names and addresses of the Membership may not be:

1. Used to solicit money or property;
2. Used for commercial purpose; or
3. Sold to or purchased by any Person.

SECTION 1.15 Member Liability: A Member is generally not liable to third parties for the Cooperative's acts, debts, liabilities, or obligations. A Member, however, may become liable to the Cooperative as:

1. Provided in these Bylaws or by law; or
2. As otherwise agreed to by the Cooperative and Member.

SECTION 1.16 Subscription to Statewide Publication: The Cooperative, at its discretion, may provide each member with a

subscription to the Wyoming Rural Electric News. Said subscription shall be paid for from revenue provided by the Members through the electric rates.

ARTICLE II MEMBER MEETINGS AND MEMBER VOTING

SECTION 2.01 Annual Meeting: The Cooperative shall annually hold a meeting for Members ("Annual Meeting").

The Board shall determine the date, time, and location of the Annual Meeting. At the Annual Member Meeting, the President and Treasurer shall provide a written report, and/or presentation, regarding the Cooperative's activities and financial condition. Unless otherwise required by law, the Cooperative's failure to hold the Annual Meeting shall not invalidate any action taken by the Cooperative or the Board.

SECTION 2.02 Special Meetings: The Cooperative shall hold a special meeting for all Members at a date, time, and location determined by the Board ("Special Meeting") upon the Cooperative receiving:

1. A written or oral request from the Board or Board President;
2. A written request signed by at least three (3) of the Directors currently in office; or
3. One (1) or more written demands signed and dated by at least ten (10) percent of the Cooperative's total current members ("Total Membership") requesting and describing the purpose of a special meeting of Members ("Members' Demand").

If the Cooperative fails to notify in writing the Members of the Special Meeting within sixty (60) days of receiving a Member Demand, then the Member signing the Member Demand may:

1. Reasonably set the time, place, and location of the Special Meeting; and
2. Notify the Members in writing of the Special Meeting.

SECTION 2.03 Permitted Member Action at Member Meetings: Unless at least one-third (1/3) of the Members entitled to vote on a matter are present in person at any Member Meeting, Members may only vote upon matters described in the notice of the Meeting.

SECTION 2.04 Notice of Member Meetings: Written notice of the location, date and time of the meeting, and the purpose or purposes of the meeting shall be delivered to each member not less than ten (10) days nor more than one hundred and eighty (180) days prior to the date of the meeting, personally, by mail, or electronically.

No matter, the carrying of which requires the affirmative votes of at least a majority of the then total members of the Cooperative shall be acted upon at any meeting of the members unless notice of such matter was set forth in the notice of the meeting. If mailed, such notice shall be deemed to be delivered and effective when deposited in the United States mail addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least ten (10) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted.

The attendance in person or by proxy of a Member at any meeting of the Members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any Member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of the member's objection.

SECTION 2.05 Quorum: Business may not be transacted at any meeting of the Members unless there are present in person, by mail or electronic vote, or by proxy at least ten (10%) percent of the Cooperative's total membership, or one hundred (100) members in person, whichever is fewer.

SECTION 2.06 Voting: Each Member who is not in a status of suspension shall be entitled to one vote upon each matter submitted to a vote at any meeting of the Members. Voting by Members other than individuals shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each Member meeting, of satisfactory evidence entitling the individual representing the Member to vote on its behalf. At all meetings of the Members, all questions shall be decided by the affirmative vote of a majority of the Members represented and entitled to vote at the meeting, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or the Bylaws. At the discretion of the Board, Members may be permitted to cast their votes in person, by proxy, by mail, or electronically.

SECTION 2.07 Proxies: At any meeting of the Members, any Member may vote by proxy, but only if such proxy:

1. Is registered with the Board secretary or other officer or agent authorized to tabulate votes before or at the time of the meeting, or at such other time as determined by the Board;;

2. Is executed by the Member in writing and designates the holder thereof as proxy; and
3. Specifies the particular meeting at which it is to be voted and is dated not more than eleven (11) months prior to the date of such meeting; PROVIDED, that any mail proxies not otherwise dated shall be deemed dated as postmarked if postmark is satisfactorily evidenced.
4. A proxy may not be procured through fraud or other improper means. As determined by the Cooperative, such a proxy shall be invalid.

A proxy may be unlimited as to the matters on which it may be voted or it may be restricted; a proxy containing no restriction shall be deemed to be unlimited. In the event a Member executes two (2) or more proxies for the same meeting, the most recently dated proxy shall revoke all others; if such proxies carry the same date and are held by different persons, none of them will be valid or recognized.

The presence in person of a Member at a meeting shall revoke any proxy theretofore executed by him for such meeting and he shall be entitled to vote in the same manner and with the same effect as if he had not executed a proxy. A proxy may also be revoked by the Member signing and delivering to the Board secretary or other officer or agent authorized to tabulate votes, prior to the Member Meeting, either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form. No Member may vote as proxy for more than five (5) Members at any meeting of the Members.

Notwithstanding the foregoing provisions of this section, whenever a Member is absent from a meeting of the Members but whose spouse attends such meeting, such spouse shall be deemed to hold, and may exercise and vote, for such Member to the same extent that such Member could vote if present in person, unless such Member has given a written proxy to some other person eligible to vote such proxy.

SECTION 2.08 Credentials and Election Committee: The Board of Directors shall, at least ten (10) days before any meeting of the Members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of Cooperative individual Members or spouses of individual Members, not less than five (5) and not more than eleven (11), who are not Members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives or members of the same household thereof. In appointing the Committee, the Board shall

have regard for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the Member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting Member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the registration of Members in person or by proxy, to count all ballots or other votes cast in any election, or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to Member voting and the election of directors (including, but not limited to, the qualifications of candidates and the regularity of the nomination and election of directors), and to pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election.

In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative.

In the event a protest or objection concerning any election is delivered to an officer of the Cooperative during the meeting or is filed at the Cooperative's business office within three (3) business days following the adjournment of the meeting in which the voting is conducted, the Committee shall be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is delivered or filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. The Committee shall take no action unless a Quorum is present to hear the evidence and render a decision.

SECTION 2.09 Order of Business: The order of business at the annual meeting of the Members shall be essentially as follows:

1. Report on the number of Members present in person and by proxy in order to determine the existence of a quorum;

2. Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be.
3. Conducting Cooperative Business.

ARTICLE III BOARD OF DIRECTORS

SECTION 3.01 Director Districts: The Cooperative shall equitably divide the general area where Members are located or reside ("Cooperative Service Area") into five (5) districts ("Director Districts"). Each district shall be associated with the company extension area and represented by the number of directors as described as follows:

<u>Director District Number</u>	<u>Description</u>	<u>Number of Directors in District</u>
One	Extension #1	1
Two	Extension #2	1
Three	Extension #3	1
Four	Extension #4	1
Five	Extension #5 & #6	1

Notwithstanding the foregoing number of districts, district descriptions, and number of district directors presently provided for in this section and in other sections of the Article IV, every year the Board of Directors, not less than ninety (90) days prior to the first date on which the annual member meeting may be scheduled pursuant to these Bylaws to be earliest held, shall review the districts and the number of members served in each District.

If the Board determines that the boundaries or number of districts should be altered or that the number of district Directors should be increased or reduced, so as to correct any substantially inequitable factors regarding the residences of members, the number of geographic location of districts, or the number of district directors, the Board shall amend these Bylaws accordingly and may, after such amendments become effective, appoint any additional directors provided for by such amendments, and may fix their respective initial terms, not to exceed three (3) years.

Within thirty (30) days following any Director District revision and at least sixty (60) days before the next Annual Meeting, the Cooperative shall notify, in writing, and Members affected by the Director District revision. Director District revisions are effective on the

date the Cooperative release written notice of the Director District revision. No Director District revision may:

1. Increase an existing Director's Director Term; or
2. Unless the affected Director consents in writing, shorten any existing Director's Director Term.

SECTION 3.02 Board of Directors: The Cooperative shall have a Board consisting of one (1) individual from each Director District elected by all voting Members in the Cooperative Service Area. Except as otherwise provided by law, the Articles, or these Bylaws:

1. All Cooperative powers must be exercised by the Board or under the Board's authority; and
2. All Cooperative affairs must be managed under the Board's direction.

To the extent the law, the Articles, or these Bylaws authorize any person to exercise any power that the Board would otherwise exercise; the person exercising the power has, and is subject to, the same duties, responsibilities, and standards of care of the Board.

SECTION 3.03 Director: Any Director or Director Candidate must comply with this Bylaw:

A. **General Director Qualifications:** A Director or Director Candidate must:

1. Be an individual member in good standing, permanently residing in the Director District from which the Director is elected or chosen, who uses, receives, or purchases Cooperative Service at the individual's primary residence;
2. Have the legal capacity to enter into a binding contract;
3. While a Director and during the five (5) years immediately prior to becoming a Director, not:
 - a. Be, nor have been, convicted of a felony; or
 - b. Plead, nor have pled, guilty to a felony;
4. Within eighteen (18) months of becoming a Director, and unless excused by the Board for good cause, attend the required classes and receive a NRECA Credentialed Cooperative Director designation or similar certification;
5. Unless excused for good cause or by the Board or Members, attend at least three-fourths (3/4) of all

Board meetings during any twelve (12) month period; and

6. Comply with any other reasonable qualifications determined by the Board.

A Member that is an entity may designate an individual to be a Director candidate if such individual has a direct affiliation with the owner (e.g. owner, manager, partner) and if that individual also uses Cooperative Services supplied by the entity at the individual's primary residence and if the individual permanently resides (over 9 months each calendar year) in the Director District from which the Director is elected or chosen.

B. **Conflict of Interest Director Qualifications:** While a Director, and during the one (1) year immediately prior to becoming a Director, a Director or Director Candidate must not be, nor have been:

1. A close relative of any existing Director, other than an existing Director who will cease being a Director within one (1) year;
2. An existing, or a close relative of an existing, non-Director Cooperative officer, employee, agent or representative;
3. Employed by, materially affiliated with, or share a material financial interest with any other Director; or
4. Engaged in, nor employed by, materially affiliated with, or have a material financial interest in, any individual or entity:
 - a. Directly and substantially competing with the Cooperative; or
 - b. Selling goods or services in substantial quantity to the Cooperative, or to a substantial number of Members; or
 - c. Possessing a substantial conflict of interest with the Cooperative.

C. **Continuing Director Qualifications:** Only individuals complying with the General Director Qualifications, Membership Director Qualifications, and Conflict of Interest Director Qualifications (collectively, "Director Qualifications") may serve, or continue to serve, as a Director.

After being elected or appointed a Director, if any Director fails to comply with any Director Qualification, as reasonably determined by the Board, the Board shall notify the Director of such failure and the Director shall thereafter have not more than 45 days to remove the disqualifying factor, and if not removed within that time limit, the Board may then vote to remove the Director. The disqualification of any board member shall not invalidate Board action taken by a majority of qualified board members.

SECTION 3.04 Director Nominations: Unless otherwise provided in these Bylaws, prior to electing Directors:

- A. Nominating Committee Nominations: At least sixty (60) days prior to any Member Meeting at which Members are scheduled to elect Directors, the Board shall appoint a Member Committee consisting of at least one (1) individual Member from each Director District. Nominating Committee members may not be an existing, or a close relative of an existing Cooperative Director, Officer, employee, agent, representative, or known Director Candidate.

At least thirty (30) days prior to the Member Meeting at which Members are scheduled to elect Directors, the Nominating Committee shall:

1. Nominate at least one (1) individual to run for election for each Director position for which Members are scheduled to vote at the Member Meeting; and
2. Post or cause to be posted a list by District of the Nominating Committee nominations at the Cooperative's principal office.

As determined by the Board, and as allowed by the Governing Documents, the Cooperative may reasonably compensate or reimburse Nominating Committee members.

- B. Member Petition Nominations: Members may nominate additional individuals to run for election for any Director position for which Members are scheduled to vote at any Member Meeting ("Member Petition Nominations"). Members make Member Petition Nominations by delivering to the Cooperative at least fifteen (15) business days prior to the Member Meeting a written petition ("Member Petition"):
1. Listing the name of the Member Petition Nominee;

2. Indicating the Director position for which the Member Petition Nominee will run; and
3. Containing the printed names, addresses, and telephone numbers, and original signatures, of at least twenty-five (25) Members of the Total Membership.

After verifying that a Member Petition complies with this Bylaw, the Cooperative shall post the Member Petition Nomination in approximately the same location as the Nominating Committee Nominations.

- C. Notice of Director Nominations: At least ten (10) days prior to any Member meeting at which Members are scheduled to elect Directors, the Cooperative shall notify Members of the:
1. Director position for which Members are scheduled to vote;
 2. Names and corresponding Director positions of all Nominating Committee Nominations; and
 3. Names and corresponding Director Positions of all Member Petition Nominations.

No director nominations will be permitted from the floor during the annual meeting.

SECTION 3.05 Director Elections: Members located or residing in the Cooperative Service Area shall annually elect Directors:

1. For Director positions for which the incumbent Director's Director Term is expiring or for new Director positions;
2. From the Nominating Committee Nominations, or Member Petition Nominations;
3. At the Annual Meeting or other properly called Member Meeting; and
4. By a plurality of the votes cast with a Member Quorum present in person or represented by Member Proxy, Member Mail Ballot, or electronically.

In the case of a tie Director Vote, the Credentials and Election Committee shall determine the Director elected by casting lots through a coin toss or such other method of random and unbiased selection as determined by the board.

SECTION 3.06 Director Terms: Each Director's term is three (3) years ("Director Term"). The Cooperative shall stagger Director Terms by dividing the total number of authorized Directors into groups of approximately equal number. Members, therefore, will annually elect an approximately equal number of Directors.

Decreasing the number of Directors or length of Director Terms may not shorten an incumbent Director's Director Term. Despite the expiration of a Director Term, the Director continues to serve until a new Director is elected, or until the number of Directors is decreased, unless otherwise provided in these Bylaws, the Director Term of a Director filling a vacant Director's position is the remaining unexpired Director Term of the vacant Director's position.

SECTION 3.07 Director Resignation: A director may resign at any time by delivering written notice of resignation to the Board President or Secretary. Upon the resignation of a Board Member, the remaining Board Members may designate a replacement director from the same district as the resigning member to fill that position until the next Annual Meeting following such resignation. Unless the written notice of resignation specifies a later effective date, a Director's resignation is effective upon the Board President or Secretary receiving the written notice of resignation. If a Director's resignation is effective at a later date, and if the successor Director does not take office until the effective date of the Director's resignation, then the pending Director vacancy may be designated before the effective date of the Director's resignation.

SECTION 3.08 Director Removal: Regarding any Director:

- A. Director Removal Petition: As provided in this Bylaw, Members may request the removal of one (1) or more Directors for committing any grossly negligent, fraudulent, or criminal act or omission significantly and adversely affecting the Cooperative, or for any reason. For each Director for whom removal is requested, Members shall deliver to the President or Secretary a dated written petition ("Director Removal Petition")
1. Identifying the Director;
 2. Explaining the basis for requesting the Director's removal and identifying the grossly negligent, fraudulent, or criminal act or omission underlying the removal request; and
 3. Containing the printed names, printed addresses, and original and dated signatures obtained within sixty (60) days of the director Removal Petition date, of at least ten percent (10%) of the Members entitled to elect the Director.

Within thirty (30) days following the President or Secretary receiving a Director Removal Petition:

1. The Cooperative shall forward a copy of the Director Removal Petition to the implicated Director; and
 2. The Board shall meet to review the Director Removal Petition.
- B. Member Meeting: If the Board determines that the Director Removal Petition complies with this Bylaw, then the Cooperative shall notice and hold a Member Meeting within sixty (60) days following the Board's determination. Notice of the Member Meeting must state that:
1. A purpose of the Member Meeting is to consider removing a Director
 2. Evidence may be presented, and a Member vote taken, regarding removing a Director; and
 3. Members may elect a successor Director.

If a Quorum is present at the Member Meeting, then for the Director named in each Director Removal Petition;

1. Prior to any Member vote, evidence must be presented supporting the basis for removing the Director;
2. The Director may be represented by legal counsel, and must have the opportunity to refute, and present evidence opposing, the basis for removing the Director; and
3. Following the Director's presentation, and following Member discussion, the Members must vote whether to remove the Director.

If a majority of Members present and voting, and entitled to vote for the Director, vote to remove the Director, then the Director is removed effective the time and date of the Member vote. At the Member Meeting, the Members entitled to vote for the Director may elect a new Director to succeed the removed Director without complying with the Director Nomination or notice provisions of these Bylaws. Any successor Director elected by the Members must comply with the Director Qualifications and serve only for the time remaining in the term of the removed Director.

Neither a Director Removal Petition nor Director Removal affects any Board action. Members may not vote to remove a Director by Member Proxy. No Director may be removed for lawfully opposing or resisting any transfer of Cooperative Assets or any Cooperative Dissolution.

- C. Director Removal for Negligent Absence: Any Director who fails to attend three (3) consecutive meetings out of twelve (12), except for temporary health problems, shall

automatically be removed from the Board of Directors and another shall be appointed to finish the term of the Director so removed in the manner provided in Section 3.09.

SECTION 3.09 Director Vacancy: Unless otherwise provided in these Bylaws:

1. By the affirmative vote of the majority of the remaining Directors, the Board may fill any vacant Director position, including any vacant Director position resulting from increasing the number of Directors; and
2. Any Director elected by the Board to fill any vacant Director position must be qualified to serve pursuant to the qualifications set forth in Section 3.03 of these Bylaws and shall serve until the next Annual Member Meeting at which time the Members shall elect a new Director to fill the previously vacant Director position and unexpired term.

SECTION 3.10 Director Compensation: As allowed by Law and the Articles, the Cooperative may reasonably reimburse and compensate Directors. The Board shall determine the manner and method of any reasonable Director reimbursement or compensation for attending any:

1. Board Meeting;
2. Board approved Cooperative function, Cooperative related committee meeting or function; or,
3. Function reasonably enhancing the Director's ability to serve as a Director.

Director vouchers itemizing expenses shall be reviewed and approved by the Board.

SECTION 3.11 Director Conduct: Unless modified or prohibited by law:

- A. Director Standard of Conduct: A Director shall discharge the Director's duties, including duties as a Board Committee member
 1. In good faith;
 2. With the care and loyalty an ordinarily prudent person in a like position would exercise under similar circumstances; and,
 3. In a manner the Director reasonably believes to be in the Cooperative's best interests.
- B. Director Reliance on Others: Unless a Director possesses knowledge concerning a matter making reliance unwarranted,

then in discharging a Director's duties, including duties as a Board Committee member, a Director may rely upon information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:

1. One (1) or more Cooperative Officers or employees whom the Director reasonably believes to be reliable and competent in the matters prepared or presented;
 2. Legal counsel, public accountants, or other individuals, as well as Board Committees, the Director reasonably believes to be competent and reliable on the matters prepared or presented.
- C. Director Liability: If a Director complies with this Bylaw, then the Director is not liable to the Cooperative, any Member, or any other individual or entity for action taken or not taken as a Director. No Director is deemed a trustee regarding the Cooperative or any property held or administered by the Cooperative, including without limit, property potentially subject to restrictions imposed by the property's donor or transferor.

SECTION 3.12 Close Relative: As used in these Bylaws, the term "close relative" means an individual who:

1. Is either by blood, law, or marriage, including half, step, foster, and adoptive relations, a parent, grandparent, spouse, child, grandchild, or sibling; or
2. Principally resides in the same residence.

ARTICLE IV BOARD MEETINGS AND DIRECTOR VOTING

SECTION 4.01 Regular Meetings: A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the Annual Meeting of the Members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the Annual Member Meeting. A regular meeting of the Board of Directors shall also be held monthly at such date, time, and place in one of the counties in Wyoming within which the Cooperative serves as the Board President shall determine. Such regular monthly meetings may be held with verbal and/or written notice to the Directors fixing the date, time, and place thereof.,

SECTION 4.02 Special Meeting: A special meeting of the Board of Directors may be called by the President or by a majority of the Board, and it shall be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 4.03. The Board, the President, or the Directors calling the meeting shall fix the date, time, and place for the meeting, which shall be held in one of the counties in Wyoming within which the Cooperative serves, unless all Directors consent to its being held in some other place in Wyoming or elsewhere. Special meetings, upon proper notice as otherwise provided in Section 4.03, may also be held via telephone conference call, without regard to the actual location of the Directors at the time of such a telephone conference meeting, if 2/3 of the Directors consent thereto.

SECTION 4.03 Notice of Special Meetings: Written notice of the date, time, place (or telephone conference call) and purpose or purposes of any special meeting of the Board shall be delivered to each Director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in this duty by the Secretary, by the President or other duly authorized individual. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Director at his address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least five (5) days prior to meeting date. The attendance of a Director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

SECTION 4.04 Quorum: The presence in person of a majority of the number of Directors authorized by these Bylaws shall be required for the transaction of business and the affirmative votes of a majority of the Directors present shall be required for the transaction of any business. If a Director Quorum is present when a matter is voted or acted upon, or presented for action, and unless the vote of a greater number of Directors is required, the affirmative vote of a majority of Directors voting is the act of the Board. PROVIDED, that a Director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of Directors in office or present; AND PROVIDED FURTHER, that, if less than a quorum be present at a meeting, a majority of the Directors present may adjourn the meeting from time to time, but

shall cause the absent Directors to be duly and timely notified of the date, time, and place of such adjourned meeting. All meetings may be held electronically.

ARTICLE V OFFICERS

SECTION 5.01 Number and Title: The officers of the Cooperative shall be a President, Vice President, Secretary, and Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

SECTION 5.02 Election and Term of Office: The four officers named in Section 5.01 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after the Annual Meeting of the Members. Voting shall be conducted by the Cooperative's attorney or another individual selected by the Board and shall follow such procedures as reasonably appropriate to ensure the nominations for such officers and the voting therefor are kept secret. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding Annual Meeting of the Members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of Directors and to the removal of officers by the Board. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board may from time to time deem advisable.

SECTION 5.03 Removal: Any officer, agent, or employee elected or appointed by the Board may be removed by the Board whenever, in its judgment, the best interests of the Cooperative will thereby be served.

SECTION 5.04 Vacancies: A vacancy in any office elected or appointed by the Board shall be filled by the Board for the unexpired portion of the term.

SECTION 5.05 President: The President shall

1. Be the principal executive officer of the Board of Directors and shall preside at all Board meetings, and, unless determined otherwise by the Board, at all meetings of the Members;

2. Sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, unless authority to sign any document has been expressly delegated by the Board, these Bylaws, or by law to some other officer or agent of the Cooperative; and
3. In general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 5.06 Vice President: In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall 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; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 5.07 Secretary: The Secretary shall

1. Keep, or cause to be kept, the minutes of meetings of the Members and of the Board in one or more books provided for that purpose;
2. See that all notices are duly given in accordance with these Bylaws or as required by law;
3. Be custodian of the Corporate Records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed 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 or is required by law;
4. Keep, or cause to be kept, a register of the name and address of each Member, which address shall be furnished to the Cooperative by such Member;
5. Sign, with the President, certificates of membership, the issue of which shall have been authorized by the Board;
6. Have general charge of the books of the Cooperative in which a record of the members is kept;
7. Keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any Member, and, at the expense of the

Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any Member; and

8. In general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board.

SECTION 5.08 Treasurer: The Treasurer shall

1. Have charge and custody of and be responsible for all funds and securities of the Cooperative;
2. Receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such banks or in such financial institutions or securities as shall be selected in accordance with the provisions of the Bylaws; and
3. In general perform all the duties incident to the office of Treasurer and such other duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 5.09 Delegation of Secretary's and Treasurer's

Responsibilities: Notwithstanding the aforementioned duties, responsibilities, and authorities of the Secretary and of the Treasurer, the Board by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibilities and authority for, and the regular or routine administration of, one or more of each such officer's duties to one or more qualified individuals, including employees, consultants, or others, who are not Directors. To the extent that the Board does so delegate with respect to any such officer, that officer as such, as allowed by law, shall be released from such duties, responsibilities, and authorities.

SECTION 5.10 General Manager: The Board may appoint a General Manager, who may be, but who shall not be required to be, a Member of the Cooperative.. The General Manager shall perform such duties as the Board may from time to time require and shall have such authority as the Board may from time to time vest in him.

SECTION 5.11 Bonds: The Board shall require the Treasurer and any other officer, agent, or employee of the Cooperative charged with responsibility for the custody of any of its funds or other property to give bond or be covered with fiduciary liability insurance in such sum and with such surety as the Board shall determine. The Board, in its discretion, may also require any other officer, agent, or employee of the Cooperative to give bond or be covered by fiduciary liability insurance in

such amount and with such surety as it shall determine. The costs of all such bonds or fiduciary insurance shall be borne by the Cooperative.

SECTION 5.12 Indemnification: The powers, duties, and compensation of officers, agents, and employees shall be fixed or a plan therefor approved by the Board. The Cooperative shall indemnify present and former directors, officers, including the General Manager, agents, and employees pursuant to Wyo. Stat. 17-16-852 and 856(c), and may purchase insurance to cover such indemnification..

SECTION 5.13 Reports: The Officers of the Cooperative shall mail to each Member with their notice of the Annual Meeting or submit at each Annual Meeting of the Members minutes of the previous meeting and financial reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VI COOPERATIVE OPERATION

SECTION 6.01 Excess Payments to be Credited as Member Furnished Capital: All amounts paid for electric service in excess of the cost thereof shall be furnished by Members as capital, and each Member shall be credited with the capital so furnished as provided in Article IX of the Bylaws.

ARTICLE VII CONTRACTS, CHECKS AND DEPOSITS

SECTION 7.01 Contracts: Except as otherwise provided by law or these Bylaws, the Board may authorize any Cooperative officer, agent, or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 7.02 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 or countersigned by such officer, agent, or employee of the Cooperative and in such manner by resolution of the Board.

SECTION 7.03 Deposits; Investments: All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks, or in such financial securities or institutions as the Board may select.

ARTICLE VIII MEMBERSHIP CERTIFICATES

SECTION 8.01 Certificate of Membership: Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as shall be determined by the Board not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the President and by the Secretary, and the seal shall be affixed thereto; PROVIDED, that the seal and the signatures of the President and the Secretary may be imprinted thereon by facsimile.

SECTION 8.02 Issue of Membership Certificates: No membership certificate shall be issued until all required service security deposits, facilities extension deposits, service connection fees, and/or contributions in aid of construction have been fully paid.

SECTION 8.03 Lost Certificate: In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE IX COOPERATIVE OPERATION

SECTION 9.01 Non-profit and Cooperative Operation: The Cooperative

1. Must operate on a non-profit status,
2. Must operate on a Cooperative basis for the mutual benefit of all Members; and,
3. May not pay interest or dividends on capital furnished by Members.

SECTION 9.02 Allocating and Crediting Capital: In operating the Cooperative:

- A. **Patron:** A Cooperative Patron is a Member that:
 1. Uses, receives, and /or purchases Cooperative Services(s) reasonably related to the Cooperative furnishing or the person receiving electric power directly from the Cooperative; and,

2. Is entitled to an allocation of, and payment of credit to a Capital account for Capital Credits and Affiliated Capital Credits, unless mutually stipulated otherwise.

B. Capital Credits: Members shall furnish and the Cooperative shall receive as capital (“Capital”) all funds and amounts received by the Cooperative from Members for the Cooperatives’ costs and expenses of providing Cooperative Services (“Operating Margins”).

The Cooperative shall annually allocate to each Member, and pay by credit to a Capital account for each Member, Operating Margins from Cooperative Service in proportion to the value or quantity of the Cooperative Service used, received, and/or purchased by each Member during the applicable fiscal year (“Capital Credits”), unless stipulated otherwise by mutual agreement.

The Cooperative shall maintain records of Capital furnished by each Member clearly credited in the Member’s name. Such Capital Credit records shall also clearly debit amounts refunded to the Member or applied to amounts owed to the Cooperative by the Member.

In determining the allocation of Operating Margins, current or prior year(s) losses may be offset by future Operating Margins.

C. Affiliated Capital Credits: The Cooperative may separately allocate and credit to Members capital that is allocated and credited to the Cooperative by any organization furnishing services, supplies, or products to the Cooperative (“Affiliated Capital Credits”)

1. In proportion to the value of the quantity of service furnished by the organization that is used, received, or purchased by each Member; and,
2. If the Cooperative determines and separately identifies the Affiliated Capital Credits.

D. Non-Operating Margins: Funds or amounts, other than Operating Margins, received by the Cooperative that exceed the Cooperative’s costs and expenses (“Non-Operating Margins”) may be:

1. Used to offset any losses incurred during the current or any prior fiscal year,
2. Allocated as Capital Credits to Members in the same manner as the Cooperative allocates Capital Credits to Members; or,

3. Used by the Cooperative as permanent, non-allocated Capital.

E. Assignment and Notification: Capital Credits and Affiliated Capital Credits shall be assigned pursuant to Board discretion and in accordance with these Bylaws..

The Cooperative shall notify each Member of the dollar amount of Capital Credits or Affiliated Capital Credits allocated or credited to the Member on a basis as determined by the Board.

F. Joint Memberships: Upon the termination or conversion of a Joint Membership, and upon the Cooperative receiving written notice and adequate proof of the Joint Membership termination or conversion:

For any Joint Membership comprised of two (2) Joint Members

1. Terminated or converted through the death of one (1) Joint Member, upon receipt of legal proof of death, the Cooperative shall convert the name on the Membership and Capital Credit Account to that of the surviving individual; and
2. Otherwise terminated or converted, and unless and until instructed by a court or administrative body of competent jurisdiction, Capital Credits and Affiliated Capital Credits shall remain in the joint account.

SECTION 9.03 Retiring and Refunding Capital Credits: Any time prior to the Cooperative’s dissolution or liquidation:

1. The Board may authorize the Cooperative to, and the Cooperative shall, wholly or partially retire and refund Capital Credits to Members and former Members; or
2. After an organization furnishing services, supplies, or products to the Cooperative retires and refunds Capital to the Cooperative, the Board may authorize the Cooperative to, and the Cooperative shall, retire the corresponding Affiliated Capital Credits to members and former Members.

The Board shall determine the manner and method of retiring and refunding Capital Credits and Affiliated Capital Credits.

Upon the death of any individual Member or former individual Member (“Deceased Member”), and pursuant to a written request from the Deceased Member’s legal representative, the Board may retire all or a portion of the Deceased Member’s Capital Credits and Affiliated Capital

Credits under the terms and conditions agreed upon by the Deceased Member's legal representative and the Cooperative.

Before retiring and refunding any Capital Credits or Affiliated Capital Credits, the Cooperative may deduct from the Capital Credits or Affiliated Capital Credits any amounts owed to the Cooperative by the Member, (of former Member), including any reasonable compounded interest, and late payment fee, determined by the Board.

SECTION 9.04 Non-Members: Non-Members shall have none of the rights granted by the Governing Documents to Members.

ARTICLE X WAIVER OF NOTICE

Any Member or Director may waive, in writing, any notice of meetings required to be given by these Bylaws or any notice that may otherwise be legally required to be given.

ARTICLE XI DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

SECTION 11.01 Disposition and Pledging of Property:

A. Notwithstanding any provision of this Section, Wyo. Stat. Sections 17-20-1201, 1202, and 1301, and any amendments thereof, shall govern the disposition and pledging of all or substantially all of the Cooperative's property and assets outside the regular course of Cooperative business. Merger and Consolidation shall be governed by Wyo. Stat. Sections 17-20-1103 and 1006, for merger, and Sections 1112 and 1116, for consolidation.

B. The Cooperative may, at a duly held meeting of the Members, authorize the sale, lease, lease-sale, exchange, transfer, or other disposition of all or substantially all of the Cooperative's properties and assets only upon the affirmative votes of two-thirds (2/3) of the then-total Members of the Cooperative; however, the Board in the regular course of Cooperative activities, without authorization by the members, shall have full power and authority

1. To borrow monies from any source and in such amounts as the Board may from time to time determine;

2. To mortgage or otherwise pledge or encumber any or all of the Cooperative's properties or assets as security therefore, and
3. To sell, lease, lease-sell, exchange, transfer, or otherwise dispose of merchandise, property no longer necessary or useful for the operation of the Cooperative. .

C. In implementing the provisions of this Article:

1. No sale, lease, lease-sale, exchange, transfer, or other disposition of all or substantially all of the Cooperative's properties and assets ("transaction") shall be authorized except in conformity with Board Policy in effect at the time of the proposed transaction. The following guiding principles shall apply:
 - a. If the Board looks with favor upon any proposed transaction as being in the best interests of the Cooperative and its members,, consistent with its fiduciary duties, and in the exercise of due diligence, it shall first cause one or more independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such transaction and as to any other terms and conditions which should be considered. Such appraiser(s) shall be designated by the Board.
 - b. If the Board, after receiving such appraisals (and other terms and conditions which are submitted for consideration, if any), determines that the proposal should be submitted for consideration by the Members, it shall first give every other electric membership cooperative corporately sited and operating in Wyoming (which has not proposed such a transaction) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric membership cooperative, which notice shall be attached to a copy of the proposal which has already been

received and copies of the respective reports of the appraiser(s). Such electric membership cooperative shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

- c. If, in the exercise of its fiduciary duties, the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the Members not less than forty (40) days before noticing a special meeting of the Members thereon or, if such be the case, the next Annual Meeting, expressing in detail each of any such proposals, and shall call a special meeting of the Members for consideration thereof and action by the Members; PROVIDED, that consideration and action by Members may be given at the next Annual Meeting if the Board so determines and if such Annual Meeting is held not less than fifty (50) days after the giving of notice of such meeting.
- d. Any fifty (50) or more Members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or Annual Meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to provide said petitioning Members with the names and last known addresses of all Members of the Cooperative so the petitioning Members may mail any opposing or alternative positions which they may have to proposals that have been submitted or any recommendations that the Board has made.

The provisions of the subsection C shall not apply to a transaction involving one or more other electric membership cooperatives if the

substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric membership cooperatives.

SECTION 11.02 Distribution of Surplus Assets on

Dissolution: Unless otherwise mandated by Wyoming law, upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors, not inconsistently with the provisions of the third paragraph of Section 9.02 of these Bylaws, be distributed without priority but on a patronage basis among Members of the Cooperative; PROVIDED, HOWEVER, that, if in the judgment of the Board, the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal Income taxation.

ARTICLE XII Savings Clause

Any articles contained herein that are inconsistent with the governing laws of the State of Wyoming or the Rules and Regulations of the Wyoming Public Service Commission shall not affect the remaining portions of these Bylaws.

ARTICLE XIII FISCAL YEAR

The Cooperative's fiscal year shall begin on the first day of the month of January of each year and end on the last day of the month of December following.

ARTICLE XIV RULES OF ORDER

Parliamentary procedure at all meetings of the Members, of the Board of Directors, of any committee of the Members provided for in these Bylaws, and of any other committee of the Members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws. Failure to adhere to

the parliamentary procedure shall not, in and of itself, invalidate actions taken by the Board or the Cooperative.

ARTICLE XV 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, Wyoming.”

ARTICLE XVI AMENDMENTS

These Bylaws may be altered, amended, or repealed by the Board pursuant to Wyo. Stat. 17-20-729, or by the members pursuant to Wyo. Stat. 17-19-1021(a)(i).