Poudre Valley Rural Electric Association, Inc.

Bylaws

As Revised 11/19/2026

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ARTICLE 1.00 THE ASSOCIATION

Poudre Valley Rural Electric Association, Inc. ("Association") incorporated under Title 7, Article 55 of the Colorado Revised Statutes ("C.R.S."). In 1983, the Association's membership exempted the Association from the Public Utilities Law pursuant to § 40-9.5-101-104, C.R.S. The Association is regulated by its Members through an elected governing body according to the Association's Articles of Incorporation and these Bylaws. To the extent that any of these Bylaws conflict with Colorado statute, the Colorado statute shall govern.

ARTICLE 2.00 DEFINITIONS

2.01 Definitions

The following terms, as used in these Bylaws, are defined as follows:

2.01.01 "Board of Directors" and "Board" means a body of natural persons duly qualified and elected or appointed as provided for in these Bylaws to govern the Association's business affairs.

2.01.02 "Capital Credit" means the Patronage Capital allocated to the Patrons.

2.01.03 "Close Relative" is an individual who is related to the principal individual by consanguinity or affinity to the third degree or less (that is, an individual who is either a spouse, child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, aunt, uncle, nephew, or niece, by blood, law, or marriage, of the principal individual); or who resides in the same residence.

2.01.04 "Director" means a seated member of the Association's Board of Directors.

2.01.05 "Patron" is any Person through whom or by which commodities or services are furnished by the Association pursuant to an agreement between the parties, whether oral or written, express or implied. A Patron may or may not be a Member of the Association.

2.01.06 "Patronage Capital" means all amounts received by the Association from the sale of electric energy and distribution services related to such sales, in excess of the cost of providing such sales and services and any other margins designated and allocated as patronage capital by the Board.

2.01.07 "Person" is an individual, a corporation, an association, a partnership, a trust, a governmental entity or subdivision thereof, or another legal entity.

ARTICLE 3.00 MEMBERS

3.01 Requirements for Membership

Any person may become a member ("Member") and shall be declared a Member of the Association by agreeing to:

3.01.01 Purchase the services or commodities from the Association as hereinafter specified; and

3.01.02 Comply with and be bound by the Articles of Incorporation, these Bylaws, and any amendments thereto and such Tariffs, Rules, and Regulations as may be adopted from time to time by the Board of Directors.

A Member may hold only one individual membership in the Association. Any Member may opt out of or withdraw from membership by notifying the Association in writing. A Member giving such notice shall not be considered a Member of the Association or be entitled to vote in Association elections, but shall continue to be eligible for electric service or commodities under the Association's Rules, Regulations, and Tariffs.

3.02 Membership Fees

The Board of Directors may set a membership fee; and such fee is nonrefundable. The payment of such a fee shall be included in the initial service connection payment. Service connection fees for service connects shall be set forth in the Rules, Regulations, and Tariffs.

3.03 Membership Certificates

Membership in the Association shall 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 of Directors. The certificate of membership may be the notation of the Member in the electronic records of the Association.

3.04 Expulsion of Members

The Board of Directors may, by a two-thirds affirmative vote of Directors present, may expel or suspend any Member who fails to comply with any of the provisions of the Articles of Incorporation, these Bylaws, or the Rules and Regulations, but only if such Member is given at least fifteen days prior written notice of the proposed action, the reasons therefore, and an opportunity to be heard, orally or in writing.

3.05 Termination of Membership

Membership shall terminate upon the withdrawal, death, cessation of existence, or expulsion of a Member, or upon the termination of all a Member's service accounts. Upon

termination of membership, the former Member's accrued Capital Credit allocations shall continue to be eligible for retirement or assignment consistent with these Bylaws.

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

3.06 Joint Membership

Two individuals may apply for a joint membership or convert an existing individual membership to a joint membership. All rights and liabilities of membership apply to joint memberships as follows:

3.06.01 The presence at a meeting of either or both shall be regarded as the presence of one Member and jointly waives notice of the meeting;

3.06.02 The signature of either or both individually or jointly constitutes one Member signature on a nominating petition for the office of Director;

3.06.03 Joint members are entitled to one vote upon each matter submitted to a vote of the Members, which vote may be cast by either member;

3.06.04 A waiver of notice signed by either shall constitute a joint waiver;

3.06.05 Notice to either shall constitute notice to both;

3.06.06 Expulsion of either shall terminate the joint membership;

3.06.07 Withdrawal of either shall terminate the joint membership;

3.06.08 Either, but not both, may be elected or appointed as a Director;

3.06.09 Both shall be jointly entitled to allocation of Capital Credits and shall be jointly liable for debts to the Association incurred in connection with the receipt of electric service, which liability shall survive termination of the joint membership;

3.06.10 Upon receipt of notice by the Association of the death of either who is a joint member, the membership and any Capital Credits allocated to the joint membership shall be transferred to the surviving individual; and

3.06.11 Upon receipt of notice by the Association of the dissolution of the joint members, the joint membership shall terminate, and any joint Capital Credits

will be divided equally (50/50) between the parties unless a binding agreement or court order stipulating otherwise is provided to the Association within ten (10) business days of the notice to the Association.

ARTICLE 4.00 MEETING OF MEMBERS

4.01 Annual Meeting

A regular meeting of the Members may, but is not required to be, held annually for the purpose of passing upon reports covering the previous fiscal year and transacting such other business as may properly come before the meeting. The annual meeting may be held during each calendar year, as designated from time to time by the Board of Directors. An annual meeting of Members may be held electronically or in person, as determined by the Board, at any place designated by the Board within the Colorado counties in which the Association provides electric service. If the annual meeting of Members is held electronically, then the meeting location shall be deemed to be held at the principal office of the Association.

Failure to hold the annual meeting at the designated time shall not constitute a forfeiture or dissolution of the Association.

4.02 Notice of Members' Meeting

Written notice of the time, date and location of the annual meeting of the Members shall be published on the Association's website and mailed or electronically transmitted to the Members no less than six (6) months before the date of the annual meeting and no fewer than ten (10) nor more than sixty (60) days before the special meeting, provided that if the time, date or location of the meeting is changed pursuant to Section 1 of this Article, such notice shall be given as is provided by law.

4.03 Special Meetings

Special meetings of the Members may be called by the Board Chair or at least by a two-thirds affirmative vote of the Directors, or upon a petition signed by at least ten percent of all the Members and delivered to the Association. Such a petition shall cite the specific purpose or purposes for which the special meeting is being called and shall conform with all applicable laws, the Association's Articles of Incorporation, and these Bylaws. Any special meeting of the Members shall be held at a location by the Board within the Colorado counties in which the Association provides electric service and at a time, date, and location determined by the Board. No business shall be transacted at such special meeting except as shall be stated in the notice.

4.04 Record Date

A "Record Date" is the date for determining the total Membership and the Members

entitled to: (1) sign a Member petition, request, demand, consent, appointment, or similar document; (2) receive a ballot, notice of a Member meeting, or similar document; or (3) vote. If a Member is suspended or terminated after the Record Date, then the Member may not sign a document, receive a document, or vote.

The Board of Directors may fix the Record Date, but the Record Date must not be more than sixty days before the: (1) date the first Member signs a Member petition, request, demand, consent, appointment, or similar document; (2) date a ballot, notice, or similar document is due or required; or (3) date of a Member meeting. Except as otherwise provided by the Board of Directors, the Record Date: (1) for signing a Member petition, request, demand, consent, appointment, or similar document is the date the Association receives the signed document; (2) for receiving a ballot, notice, or similar document is the date forty-five days before the document is due or required; and (3) voting at a Member meeting is the date of the Member Meeting.

The Record Date for determining the total Membership and the Members entitled to notice of, or to vote at, a Member meeting is effective for a Member meeting adjourned to a date not more than one hundred twenty days after the Record Date for determining the Members entitled to notice of the original Member meeting.

4.05 Election Supervisory Committee

The Board of Directors shall appoint an Election Supervisory Committee to pass upon all questions that may arise with respect to the registration of Members, to count all ballots cast in any election, to rule upon the effect of any ballots irregularly or indecisively marked, and to pass upon any protest or objection filed with respect to any election or conduct affecting the results of any election. Such a protest or objection must be filed within ten calendar days following the adjournment of the meeting.

4.06 Quorum

A quorum for amending the Articles of Incorporation and conducting normal business at all meetings of the Members shall be five percent (5%) of the total membership or two hundred fifty Members present in person, whichever is less. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. A quorum for the election of Directors and for any other electronic Member meeting shall be the same as for conducting normal business at a membership meeting, except that valid mail ballots submitted to the Association prior to such meeting shall be counted toward the quorum requirement.

4.07 Voting

Upon establishment of a quorum as provided in these Bylaws, all questions before the membership shall be decided by a vote of a majority of the Members voting thereon by mail, in person, or by electronic means after establishment of a secure and verifiable

electronic transmission system, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. Each Member shall be entitled to one (1) vote upon each matter submitted to a vote of the Members. A Member who has submitted a mail or electronic ballot on any matter shall not be entitled to vote in person.

In an election of Directors, the candidate having the highest number of votes cast in favor of the candidate's election is elected to the Board of Directors. Each Member of the Association shall be entitled to vote in the election of Directors either at a meeting held for such purpose or by mail or electronically if authorized by the Board of Directors.

Proxy and cumulative voting are prohibited.

4.08 Order of Business

The Board of Directors shall determine the order of business at any meeting of the Members. The Chair may make rulings concerning the conduct of meetings and the order of business, and shall use any recognized rules for the conduct of meetings except as such rules may conflict with Law, the Bylaws, the Articles of Incorporation, or Rules and Regulations of the Association. The Chair may delegate authority concerning rulings on the conduct of meetings to a parliamentarian.

ARTICLE 5.00 DIRECTORS

5.01 General Powers

The business and affairs of the Association shall be managed by a board of nine Directors ("Board of Directors") which shall exercise all of the powers of the Association, except those that are by Law, or by the Articles of Incorporation of the Association, or by these Bylaws, conferred upon or reserved to the Members.

5.02 Term of Office and Voting Districts

The Board of Directors shall be elected by and from the membership for four-year terms from voting districts on the following basis:

5.02.01 Voting District BW shall be composed of Boulder County and Weld County, and one Director shall be elected to represent said District. The Director position shall be designated Position BW-1.

5.02.02 Voting District W shall be composed of Weld County and two Directors shall be elected to represent said District. The Director positions shall be designated Position W-1 and W-2.

5.02.03 Voting District L shall be composed of Larimer County and six Directors shall be elected to represent said District. The Director Positions shall be designated

Position L-1, Position L-2, Position L-3, Position L-4, Position L-5, and Position L-6.

5.02.04 Such Directors shall serve for the term for which they were elected, subject to the provisions of these Bylaws with respect to the removal of Directors.

5.03 Qualifications of Directors

To become or remain a Director of the Association an individual who is a Director or a Director candidate must comply with the following general qualifications ("General Director Qualifications"): (1) be an individual; and (2) have the capacity to enter legally binding contracts; and (3) while a Director, and during the five years immediately before becoming a Director, not had a judgment of conviction entered against such individual or pled guilty, nolo contendere, or entered an "Alford Plea" to any felony or to any crime involving an offense against a person involving fraud or any crime of dishonesty, computer misuse, gambling, morals, weapons, financial matters of any kind, or other crimes which in the judgment of a majority of the current Board of Directors warrant disqualification; and (4) except as otherwise provided by the Board of Directors for good cause, attend in person at least three fourths of all regular Board Meetings during each twelve month period; however if a Board Meeting is conducted electronically, then an electronic Board Meeting shall be deemed to be an in- person Meeting for determination of compliance with this attendance requirement.

5.03.01 To become or remain a Director, an individual must comply with the following membership qualifications ("Membership Director Qualifications"): while a Director and during the two years immediately before becoming a Director be an unsuspended Member receiving electric service at their primary residence from the Association within the Director District represented by the Director. For purposes of this provision, "primary residence" means the residential address shown on the Director's driver's license or a similar government-issued identification, which must match the electric service address, as confirmed by an annual Affidavit of Residency declaring that address as the Director's primary residence. The foregoing primary residence qualification shall only apply to any new Director elected after January 2027 and shall not apply to a Director currently serving as a Director of the Association as of December 2026 even if such director is reelected to any new term or terms after January 2027.

5.03.02 To become or remain a Director, an individual must comply with the following conflict of interest qualifications ("Conflict of Interest Director Qualifications"): (1) annually complete and sign a conflict of interest certification and disclosure form approved by the Board of Directors; and (2) while a Director and during the five years immediately before becoming a Director, not be an employee of the Association or an employee of an entity controlled by the Association or in which the Association owns a majority interest ("Association Subsidiary"); and (3) while a Director and during the one year immediately before becoming a Director, not

receive or have a Close Relative that receives more than ten percent of annual gross income, other than insurance or Director compensation or retirement income, directly or indirectly from the Association or an Association Subsidiary; and (4) while a Director and during the one year immediately before becoming a Director, not advance or have a Close Relative that advances the individual's financial interest by competing with, providing a good or service similar to a good or service provided by the Association or an Association Subsidiary; and (5) while a Director, not be a Close Relative of an Association Official, Director or Association employee; (6) while a Director, not be employed by another Director or be employed by, or receive more than ten percent of annual gross income from, an entity for which another Director controls, owns more than ten percent, or is a director or officer; and (7) while a Director and during the one year immediately before becoming a Director, not be employed by, control, own more than ten percent of, serve as a director or officer of, or receive more than ten percent of annual gross income from an entity that: (A) advances the entity's pecuniary interest by providing a good or service to consumers of the Association similar to a good or service provided by the Association or an Association Subsidiary that produces more than one-fourth of one percent of gross revenue to the Association; or (B) receives more than ten percent of its annual gross income directly or indirectly from the Association or an Association Subsidiary.

5.03.03 After being elected or appointed, if a Director does not comply with all General Director Qualifications, Membership Director Qualifications, and Conflict of Interest Director Qualifications (collectively, "Director Qualifications"), then, except as otherwise provided by the Board of Directors for good cause, the Board shall disqualify the Director and the individual is no longer a Director if: (1) the Board notifies the Director in writing of the basis for, and provides the Director an opportunity to comment regarding, the Board's proposed disqualification; and (2) within thirty days after the Board notifies the Director of the proposed
disqualification, the Director neither complies with nor meets the Director Qualification.

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

5.04 Removal of Directors

5.04.01 Five percent of the total membership, or two hundred fifty Members, whichever is less, may bring charge(s) against a Director by filing them in writing with the Secretary, together with a petition signed by such Members requesting the removal of such Director. No charge(s) and petition may include a request for the removal of more than one Director.

5.04.02 A Director of the Association may be removed only for cause. Cause, as defined in these Bylaws, means malfeasance, misfeasance, or nonfeasance adversely affecting the corporate interest. Cause, as defined in these Bylaws, does not mean conduct or decisions of a discretionary matter or good faith acts of a Director exercising honest business judgment.

5.04.03 All charge(s) and petition(s) presented pursuant to this Bylaw shall contain the signature of a bona fide Member of the Association as of the date such charge(s) and petition(s) are filed with the Secretary. Such charge(s) and petition(s) shall be signed before a notary public by each Member signing such charge(s) and petition(s).

5.04.04 The Secretary shall, upon receipt of the charge(s) and petition against a Director, transmit them within a reasonable time to an arbitrator chosen jointly by the Members bringing the charge(s) and the Secretary under the Commercial Arbitration Rules of the American Arbitration Association on the questions of whether cause has been stated in the charges under the definition of cause within these Bylaws and on any other issue or matter concerning the recall. In the event that the arbitrator decides that the charge(s) state cause as defined in these Bylaws, the removal shall be voted upon at the next regular meeting of the Members (or special meeting of the Members specifically called forthat purpose) and any vacancy created by such removal may be filled in accordance with the nomination and election procedures provided by these Bylaws and the applicable statutes. Information about the removal procedure shall be included with the notice to the Members of any meeting at which the removal of one or more Directors will be considered. In the event the arbitrator decides that cause has not been stated, then the removal shall not be presented to the membership at any regular or special meeting, and all expenses of the arbitration shall be borne by the Members submitting the charge(s) and petition.

5.04.05 The Director against whom such charge(s) have been brought shall be informed in writing of the charge(s) not less than thirty days previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel, or both, and to present evidence; and the Members bringing the charge(s) against the Director shall have the same opportunity.

5.05 Nominations

5.05.01 A nomination for Director on the Board of Directors of the Association can be made by written petition signed by at least fifteen Members of the Association, and filed with the Board of Directors of the Association no later than sixty days prior to the date of the election. Any petition so filed shall designate the name of the nominee and the position for which nominated.

5.05.02 The name of a nominee shall appear on the ballot if the nominating petition is in

apparent conformity with this paragraph 5.05 as determined by the Secretary. The Secretary shall have prepared and have posted at the principal office of the Association at least twenty days before the date of the Director election a list of nominations for Directors.

5.05.03 The Secretary shall mail with the notice of the Director election a statement of the number of Directors to be elected and the Director Election Biographies.

5.05.04 If no nominating petition has been properly made and timely filed for a Director Position, then the Director Position shall be declared vacant effective at the time scheduled for the election of that Position. If only one person submits a valid nominating petition for election to a Director Position and the person is otherwise qualified to serve as a Director, then no contested election has been created by having two or more nominating petitions properly made and timely filed; and the election of a Director for that Position shall be dispensed with and the nominee shall be deemed elected effective at the time that the election was to be held.

5.05.05 The Members may, at any meeting at which a Director or Directors shall be removed as hereinbefore provided, elect a successor or successors thereto withoutcompliance with the foregoing provisions with respect to nominations.

5.05.06 Regardless of any other terms or provisions of this section 5.05, failure to comply with any of the provisions of this section 5.05 shall not affect in any manner whatsoever the validity of any election of Directors.

5.05.07 All nominations shall be made to a designated Director position, and the designation shall be by the letter of the position to which a Person is nominated.

5.05.08 Members may not nominate from the floor of a Member meeting an individual to run for election to a Director position scheduled for election. No vote shall be counted forany individual who is not properly nominated to a Director position.

5.06 Vacancies

Subject to the provisions of these Bylaws with respect to the removal of Directors or other vacancies occurring on the Board of Directors, such vacancies shall be filled by a majority vote of the remaining Directors, and Directors thus elected shall serve for the balance of the unexpired term of the vacancy being filled or until their successors have been elected and shall have qualified. The Member elected as Director to fill the vacancy must meet the Director qualifications for the position.

5.07 Compensation

As determined by the Board, the Association may reasonably compensate and provide insurance and other benefits to Directors. The Board of Directors must determine or

approve the manner, method, and amount of any Director compensation, insurance or other benefits.

5.08 Indemnification

Each Director and Officer of the Association now or hereafter serving as such, shall be indemnified by the Association against any and all claims and liabilities, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) to which he or she has or shall become subject by reason of any action alleged to have been taken, omitted, or neglected by him or her while serving as such, if he or she acted in good faith and in such a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the Association, and, with respect to any criminal action or proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. Every Director and Officer entitled to indemnification under this section shall be indemnified against all expenses, court costs, expert witness fees, attorney fees, judgments, fines and amounts paid in settlement or satisfaction of judgment actually or reasonably incurred by him or her in connection with such action, suit or proceeding, provided such Director or Officer was acting within the scope of his or her duties at the time the claim arose.

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

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

5.09 Limitation of Liability

5.09.01 No Person shall be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by the Person in good faith as an Association Official, Director, officer, agent or employee of the Association, if this Person:

5.09.01.01 Relied upon financial statements of the Association represented to the Person to be correct by an employee of the Association having charge of its books of account or stated in a written report by an independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of the Association, or considered the assets to be of their book value; or

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

5.09.02 Personal liability for breach of fiduciary duty of a Director of the Association to the Association and to its Members is eliminated to the extent permitted by Law.

5.10 Director Standard of Conduct

A Director is not deemed a trustee regarding the Association, Capital Credits, or property held or administered by the Association, including property potentially subject to restrictions imposed by the property's donor or transferor. A Director shall discharge the Director's duties, including duties as a Board Committee member:

5.10.01 In good faith;

5.10.02 In a manner the Director reasonably believes to be in the Association's best interests;

5.10.03 When becoming informed in connection with the Director's decision-making function or devoting attention to the Director's oversight function, with the care that an individual in a like position would reasonably believe appropriate under similar circumstances; and

5.10.04 In a manner in which the Director discloses or causes to be disclosed to other Directors or Board Committee members information not known by them, but known by the Director to be material to discharging their decision-making or oversight functions, except that disclosure is not required to the extent that the Director reasonably believes that disclosure would violate a duty imposed under Law, a legally enforceable obligation of confidentiality, or a professional ethics rule.

ARTICLE 6.00 MEETING OF DIRECTORS

6.01 Regular Meetings

Regular meetings of the Board shall be held at times, dates, and locations at the principal office of the Association or in the counties of Weld, Larimer, or Boulder, unless the majority of the Directors consent to hold it elsewhere. If a meeting is held electronically, the location of the meeting shall be deemed to be the location stated in the notice of the meeting.

6.02 Special Meetings

Special meetings of the Board of Directors may be called by the Chair or any three Directors. The Person or Persons authorized to call special meetings of the Board of Directors may fix the time and place for such special meeting. Special meetings of the Board of Directors may be held electronically.

6.03 Director Notice

Written notice of the time, date, location, and purpose of regular meetings of the Board shall be delivered to each Director personally, electronically or by mail, by or at the direction of the Secretary at least ten (10) days before the date set for the meeting.

Written notice of time, date, location, and purpose of any special meeting of the Board of Directors shall be delivered to each Director personally, electronically or by mail, by or at the direction of the Secretary at least two (2) days before the date set for the meeting.

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

6.04 Member Notice

Notice of the time, date, and location of any regular or special meeting of the Board and a copy of the agenda for such meeting shall be posted on the Association's website and at the Association's headquarters at least ten (10) days before any regular meeting and, if less than ten (10) days, as soon as the meeting is scheduled in the case of a special meeting. If a meeting is postponed or canceled, notice of the postponement or cancellation will be promptly posted on the Association's website. The agenda shall designate the issues or questions to be discussed or the actions to be taken at the meeting. Copies of the agenda shall be available at the principal office of the Association for Members and Patrons.

6.05 Quorum and Manner of Acting

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

6.06 Attendance by Electronic Means

For good cause and with approval of the Board Chair, a Director who is not physically present in person may participate in a regular or special meeting of the Board using electronic communication by which all Directors participating in the Board Meeting may instantaneously converse with each other during the meeting. A Director participating in a meeting by this means is deemed to be present in person at the meeting. No director shall be permitted to attend Board meetings electronically more than two times within any consecutive twelve months unless and to the extent that the Board by affirmative vote authorizes additional electronic attendance.

6.07 Executive Session

By a two-thirds (2/3) affirmative vote of the Directors present, the Board of Directors may

go into executive session during any regular or special meeting for consideration of documents or testimony given in confidence. The Board of Directors shall not make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money at any session that is closed to the Members, Patrons and news media. Prior to the time the Board of Directors convenes in executive session, the Board shall announce the general topic of the executive session.

6.08 Minutes

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

6.09 Committees

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

ARTICLE 7.00 OFFICERS

7.01 Elected Officers

The Association shall have the elected offices of Chair, Vice Chair, Secretary, Treasurer, and such other offices as may be designated by the Board. These offices shall be elected annually by the Board at the first regular meeting of the Board after each annual meeting of the Members or at such later time as the Board may determine. Unless earlier removed from office or from the Board as provided for in these Bylaws, each elected Officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the Members or until a successor is elected. The Treasurer and the Secretary may be an Employee of the Association or a member of the Board of Directors.

7.02 Appointed Officers

The Board shall appoint a President & Chief Executive Officer and such other officers as it may deem appropriate. The President & Chief Executive Officer may appoint a Chief Financial Officer, Chief Administrative Officer, and Chief Operating Officer.

7.03 Removal

The Board may remove any Officer by an affirmative vote of a majority of seated Directors whenever, in its judgment, the best interests of the Association will be served thereby.

7.04 Resignation

An Officer may resign at any time by giving written notice to the Chair and/or the President & Chief Executive Officer. The resignation shall be effective upon delivery of the notice unless the notice states a later effective date.

7.05 Vacancies

Except as otherwise provided in these Bylaws, a vacancy in any office shall be filled by a majority of the Board for the unexpired portion of the term as to vacancies concerning which they have authority to appoint.

7.06 Authority and Duties

The Officers shall have the authority to perform the duties incident to their respective offices, which shall include:

7.06.01 The Chair shall preside at all Member and Board of Directors meetings of the Association and shall sign all documents that have been authorized by resolution of the Board.

7.06.02 The Vice Chair shall perform the duties of the Chair in the Chair's absence or inability or refusal to act.

7.06.03 The Secretary shall authenticate the Association's records and ensure that minutes are prepared and notice is given in accordance with these Bylaws.

7.06.04 The Treasurer shall perform all duties and functions and has and may exercise all authority prescribed by the Board consistent with law, the Association's Articles of Incorporation, these Bylaws, and Board policy.

7.06.05 The President & Chief Executive Officer shall be responsible for the management of the affairs of the Cooperative and shall have such authority as the Board may from time to time vest in the position through the Association's Articles of Incorporation, these Bylaws, and Board policy.

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

7.07 Delegation of Duties

In case of the death, or the temporary absence of any officer of the Association, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of any such officer to any other officer or to any Director or to the President and Chief Executive Officer, provided a majority of the entire Board of

Directors concurs therein.

ARTICLE 8.00 CONFLICTS OF INTEREST

8.01 Conflicts of Interest

No contract or transaction between the Association and one or more of its Directors or Association Officials, or between the Association and any other Person in which one or more of its directors. officers or Association Officials are directors or officers or have a financial interest, shall be void or voidable solely for that reason or solely because the director or officer or Association Official is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes, approves, or ratifies the contract or transaction or solely because such votes are counted for such purpose if:

8.01.01 The material facts as to the Person's relationship or interest and as to the contract or transaction are, disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes, approves, or ratifies the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or

8.01.02 The material facts as to the Person's relationship or interest and as to the contract or transaction are disclosed or are known to the Members entitled to vote thereon, and the contract or transaction is specifically authorized, approved, or ratified by vote of the Members; or

8.01.03 The contract or transaction is fair as to the Association as of the time it is authorized, approved, or ratified by the Board of Directors, a committee thereof or the Members.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the contract or transaction. Voting on tariffs, rules and regulations applicable to a Director is not presumptively a conflict of interest.

ARTICLE 9.00 CAPITAL CREDITS

9.01 Allocation of Patronage Capital

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

Provided, however, if costs and expenses exceed the amounts received and receivable from and directly related to the furnishing of electric service, hereinafter referred to as "loss", the Board shall have the authority, under accepted accounting practices, loan covenants, and federal cooperative tax law, to prescribe the accounting procedures under which such loss may be addressed.

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

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

9.02 Retirement of Capital Credits

If at any time prior to dissolution or liquidation, the Board determines that the financial condition of the Association will not be impaired thereby, Capital Credits may be retired and paid in full or in part, subject to any limitations imposed by the provisions of any credit agreement, mortgage or deed of trust given or assumed by the Association.

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

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

9.03 Retirement of Capital Credits for Deceased Patrons

The Board may authorize the Association to retire and pay the Capital Credits allocated to any deceased Patron upon such terms and conditions as the Board may prescribe.

9.04 Assignment of Capital Credits

Capital credited to the account of each Patron shall be assignable only on the books of the Association pursuant to written instruction from the assignor and only to successors in interest, or successors in occupancy in all or a part of such Patron's premises served by the Association, unless the Board of Directors, acting under policies of general application, shall determine otherwise.

ARTICLE 10.00 – FINANCIAL AND BUSINESS TRANSACTIONS

10.01 Fiscal Year

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

10.02 Accounting System and Reports

The Board shall cause to be established and maintained a complete accounting system that shall conform to such accounting system as may from time to time be designated by the Board and to applicable laws and rules and regulations of any regulatory body. The Board shall review the Association's financial affairs on a monthly basis.

10.03 Annual Audit

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

10.04 Bonds

At the discretion of the Board of Directors, at the Association's expense, any Officer, employee, or agent handling funds or negotiable instruments or property of or for the Association may be bonded for the failure in performance of the person's duties and obligations.

ARTICLE 11.00 – RULES, REGULATIONS, AND TARIFFS

11.01 Rules, Regulations, and Tariffs

The Board shall have power at any time to adopt, amend, restate, and otherwise promulgate Rules, Regulations, and Tariffs consistent with the law, the Articles of Incorporation of the Association, and these Bylaws as it may deem advisable for the provision of electric service. The Tariffs, Rules and Regulations of the Association shall be and become a part of the contract between the Members and the Association along with the Articles of Incorporation and Bylaws.

11.02 Obligation to Serve

The Association shall provide reasonably continuous and adequate electric utility service to all Patrons within the Association's certificated service area pursuant to the Association's Rules, Regulations, and Tariffs. The Association cannot and therefore does not guarantee a continuous and uninterrupted supply of electricity.

11.03 Purchase of Electric Energy

Each Patron shall purchase from the Association all electric energy used on the premises specified in the Patron's request for service, except for electric energy, if any, generated by facilities interconnected with the Association's system according to the Rules, Regulations, and Tariffs and such other requirements as the Association may determine necessary in its sole discretion. Each Patron shall pay the Association for electric energy and the service of such energy when due and payable according to the terms established in the Rules, Regulations, and Tariffs.

ARTICLE 12.00 DISPOSITION OF PROPERTY

12.01 Disposition of Property

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

12.02 Delegated Approval for Certain Property

Except as otherwise provided in these Bylaws, the Board may authorize the President & Chief Executive Officer to sell, donate, or otherwise dispose of any of the Association's property that is no longer used or useful in the conduct of the business of the Association.

12.03 Membership Approval

The Association may sell or transfer all or substantially all of its assets, other than in the usual and regular course of business, only upon approval of the Board and with approval by vote of the Members in a manner consistent with the provisions of Article 4 of these Bylaws. Member approval shall require a majority of the Members voting on the question. Except as otherwise provided by the Members, after the Members approve a sale or transfer, the Board of Directors may abandon the sale or transfer.

ARTICLE 13.00 MERGER

13.01 Plan of Merger

The Association may consolidate or merge only with an entity that operates on a cooperative basis and provides electric energy. To merge with another entity, the Board must, upon a two-thirds (2/3) affirmative vote, approve a plan of merger with the following minimum requirements:

13.01.01 The name of each entity merging with the Association;

13.01.02 The name of the new or surviving entity;

13.01.03 The effective date of such merger;

13.01.04 Identification of the territory served or to be served by the new or surviving entity and any division of such territory into director districts;

13.01.05 The number of directors of the new or surviving entity;

13.01.06 Names of the directors who will serve on the board of the new or surviving entity until the entity's first annual meeting, when director elections will be held;

13.01.07 The date of the first annual meeting for the new or surviving entity;

13.01.08 The manner and basis, if any, of converting memberships of each involved entity into memberships of the new or surviving entity;

13.01.09 Terms and conditions of the merger; and

13.01.10 Other information required by applicable law.

13.02 Member Approval

After the Board approves a merger plan, the Board shall give notice of and submit such plan for approval by vote of the Members in a manner consistent with the provisions of Article 4 of these Bylaws. Member approval shall require a majority of the Members voting on the question.

ARTICLE 14.00 MISCELLANEOUS

14.01 Binding Nature

The Association and its Patrons are bound by the terms and provisions of the Association's Articles of Incorporation, these Bylaws, the Rules, Regulations, and Tariffs, as those documents may from time to time be amended by the Board. The Articles of Incorporation, Bylaws, Tariffs, Rules, and Regulations of the Association shall be and become a part of the contract between the Patrons and the Association.

14.02 Notice to the Association

Legal notice to the Association shall be physically delivered or sent by certified mail with return receipt requested to the Association's principal office at 7649 REA Parkway, Fort

Collins, CO 80528, and addressed to the attention of the President & Chief Executive Officer.

14.03 Delivery and Waiver of Notice

Any notice given under these Bylaws may be given as follows:

14.01.01 If given by mail, notice shall be deemed to be delivered when deposited in the United States mail addressed to the recipient at the recipient's address as it appears in the Association's records with postage thereon prepaid; or

14.01.02 If given electronically, notice shall be deemed to be delivered when it is electronically transmitted to the recipient at the recipient's email address as it appears in the Association's records.

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

14.01.03 written waiver signed by the recipient entitled to the notice and delivered to the Association; or

14.01.04 attendance at a meeting, which shall waive objection to lack of notice or defective notice of the meeting and objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the recipient objects to considering the matter when it is presented.

14.04 Corporate Seal

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

ARTICLE 15.00 AMENDMENTS

15.01 The Bylaws may be altered, amended, or repealed by either of the following methods:

15.01.01 By the affirmative vote of a majority of the membership voting by a mail ballot sent with the ballots for the next election of Board members that is more than ninety days after the Secretary receives a petition in writing to the Board signed by not less than three percent of the number of Members of the Association on the date of submission of the petition specifying a proposed alteration, amendment, or repeal and requesting that such alteration, amendment, or repeal be presented to the membership, and the ballot shall be sent with a copy of the proposed alteration, amendment, or repeal. The number of mail ballots received

on the proposed alteration, amendment, or repeal of the Bylaws under this provision shall not be less than one-half of the number of Members of the Association on the date of submission of the petition; and if there is an insufficient number of ballots received, then even if the proposed alteration, amendment, or repeal of the Bylaws receives a majority of the votes cast, then the proposed alteration, amendment, or repeal of the Bylaws shall not be effective. No proposed alteration, amendment, or repeal of the Bylaws submitted under this section shall be in conflict with the Articles of Incorporation or Law; or

15.01.02 By the affirmative vote of two-thirds (2/3rds) of the Members of the Board of Directors at any regular or special meeting, provided that the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal.

15.02 The terms “Bylaws” and “Articles of Incorporation” shall include all amendments thereto.

15.03 The Bylaws are subject to Law and the Articles of Incorporation. If, and to the extent that, a Bylaw conflicts with Law or the Articles of Incorporation, then the Law or Articles of Incorporation control. “Law” includes applicable:

15.03.01 local, state, and federal constitutions, statutes, ordinances, regulations, holdings, rulings, orders, and similar documents or actions, whether legislative, executive, or judicial; and

15.03.02 legally binding contracts enforceable by or against the Association, including legally binding contracts between the Association and an applicant or Member.

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