

Mountain View Electric Association, Inc.

MISSION STATEMENT

To meet or exceed our member expectations for reliable and efficient electrical service in a socially responsible manner; to demonstrate that the cooperative enterprise is the most desirable method for providing and receiving electric service; and to maintain an organization of high integrity to pass on to future generations.

By-Laws

Revised May 2009

ARTICLE I MEMBERS

Section 1. Qualifications and Obligations. Any person, legal entity or body politic will become a member in the Association upon completion of a membership application and:

- (a) agreeing to purchase from the Association electric energy as hereinafter specified; and
- (b) agreeing to grant to the Association, as a condition of membership and without further compensation, an easement or right-of-way, by specific written grants of easement as may be required by the Association, over, on and under all lands owned, leased or mortgaged by the member on such reasonable terms and conditions as the Association will require, for the furnishing of electric service to the member or to any other members, and for construction, operation, maintenance and relocation of electric distribution lines and related facilities needed for such purposes; and
- (c) agreeing to comply with and be bound by the Restated Articles of Incorporation of the Association, as amended, and these By-Laws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors;

provided, however, that no person, legal entity or body politic will become a member unless and until accepted for membership by the Board of Directors, or its designee. No person, legal entity or body politic may own more than one (1) membership in the Association.

A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the husband and wife comply jointly with the provisions of the above subdivisions (a), (b) and (c). A joint membership may only be held by a husband and wife.

Upon failure to pay any amounts due to the Association, or any other noncompliance with membership obligations, a member will automatically be suspended from membership for the period of noncompliance, and during such suspension will not be entitled to the privileges of membership.

Section 2. Membership Fee. There will be no fee charged or collected to become a member of this Association.

Section 3. Purchase of Electric Energy. Each consumer will, as soon as electric energy is available, purchase from this Association all electric energy purchased for use on the premises specified in their application for service, and will pay therefore monthly rates which will from time to time be fixed by the Board of Directors, and be filed with such agency or agencies of the State of Colorado as may be provided by law, provided, however that the Board of Directors may limit the amount of electric energy which the Association will be required to furnish to any one consumer. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by consumers as capital and each consumer will be credited with the capital so furnished as provided in these By-Laws. Each consumer will pay all amounts owed by him, her or it to the Association as and when the same will become due and payable.

Section 4. Non-Liability for Debts of the Association. The private property of the members of the Association will be exempt from execution for the debts of the Association and no member will be individually liable or responsible for any debts or liabilities of the Association.

Section 5. Termination of Membership. A membership will automatically terminate upon the death or cessation of existence of a member, or when a member no longer purchases electric service from the Association.

The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member if such member will have violated or refused to comply with any of the provisions of the Restated Articles of Incorporation of the Association, as amended, or the By-Laws, or any amendments thereto, or any rules or regulations adopted from time to time by the Board of Directors. Any member so expelled may be reinstated as a member by a vote of the members at any annual or special meeting. The action of the members with respect to any such reinstatement will be final.

Termination of membership in any manner will not release a member or their estate from any debts due the Association.

Section 6. Transfer of Membership

(a) Membership in the Association will not be transferable except as provided in this section.

(b) When a membership is held jointly by a husband and wife, upon the death of either, such membership will be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be; provided, however, that the estate of the deceased will not be released from any membership debts or liabilities due to the Association. Transfer will be allowed upon divorce of a husband and wife holding a joint membership only when ordered by a court of competent jurisdiction or when agreed to in writing by both parties.

(c) A membership held in the name of an entity, other than an individual, may be transferred to a surviving entity upon the merger, consolidation or conversion of such entity upon:

(i) providing to the Association a copy of the articles or certificate of merger, consolidation or conversion, as filed with the Colorado Secretary of State, showing the merger, consolidation or conversion of the member into the surviving entity;

(ii) receipt by the Association of a written request of the transfer from the surviving entity, including agreement of the surviving entity to comply with the provisions of Section 1 of this Article;

(iii) payment in full of all debts and liabilities of the member to the Association; and

(iv) approval by the Association's Board of Directors, or its designee.

Section 7. Service to Non-Members. The Association will be permitted to serve members and non-members pursuant to the Laws of the State of Colorado and the lawful rules and regulations of any agency or officer having jurisdiction over this Association.

ARTICLE II MEETINGS OF MEMBERS

Section 1. Annual Meeting. A meeting of the membership will be held annually for the purpose of electing Directors, passing upon reports covering the previous fiscal year and transacting such other business identified in the notice of the meeting. The annual meeting will be held at any place within the territory served by the Association which may from time to time be designated by the Board of Directors and at such time during each calendar year as may be designated from time to time by the Board of Directors. If the election of Directors will not be held on the day designated for any annual meeting or at any adjournment thereof, the Board of Directors will cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time will not work a forfeiture or dissolution of the Association.

Section 2. Special Meetings. Special meetings of the members may be called by at least a majority of the Board of Directors or upon a written request signed by at least ten percent (10%) of all the members, for the purpose of transacting such business identified in the notice of meeting, and it will thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the territory served by the Association specified in the Notice of the Special Meeting.

Section 3. Fixing Record Date. For the purpose of determining members entitled to notice of or to vote at any meeting of members, or in order to make a determination of members for any other proper purpose, the Board of Directors will fix in advance a date as the record date for any such determination, such date in any case to be not more than fifty (50) days, nor less than forty (40) days, prior to the date on which the particular action requiring such determination of members is to be taken.

Section 4. Notice of Member's Meetings. Public notice of the time and place of the holding of each meeting, and the purpose or purposes for which the meeting is called, will be published not less than ten (10) and not more than thirty (30) days previous thereto in any newspaper published in the county where the principal office of the Association is located, and, if there be no such newspaper, then in a newspaper published in an adjoining county. Written or printed notice stating the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, will also be delivered not less than twenty-one (21) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, to each member; and no business will be transacted at such meeting except as will be mentioned in the notice. If mailed, such notice will be deemed to be delivered when deposited in the United States mail addressed to the member at the address appearing on the records of the Association with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members will not invalidate any action, which may be taken by the members at any such meeting.

The purpose or purposes of a member meeting, to be set forth in the notice of the meeting, will be determined by the Board of Directors, provided, that the Association will also include in the notice of the meeting any other matter which a Member wishes to raise or discuss at the meeting if:

- (a) the Association receives a written request identifying the matter at least 30 days prior to the record date set for the meeting; and
- (b) the request is signed by at least five percent (5%) of all of the members.

Section 5. Quorum. Fifty (50) members present in person will constitute a quorum at any Annual or Special Meeting of the members for the transaction of all business, including the election of Directors and amending the Articles of Incorporation (except for the sale, lease or other disposition of Association's property as specified in Article VIII herein), except as to, and only for, a specific matter upon which the Board of Directors has authorized voting by mail.

In the event the Board of Directors has authorized voting by mail on any matter, five percent (5%) of the members present in person or by mail vote will constitute a quorum as to, and only for, the specific matter upon which a mail vote is authorized.

Section 6. Meeting Procedure. At all meetings of the members, meeting procedure, unless the Board of Directors resolves otherwise at any time consistent with law, the Restated Articles of Incorporation of this Association, as amended, and the provisions of these By-Laws, will be governed in accordance with the latest edition of Robert's Rules of Order.

Section 7. Voting. Each member will be entitled to only one (1) vote upon each matter submitted to a vote at any meeting of the members; except in the election of Directors, each member will be entitled to vote at the election of Directors for as many Directors as there are Directors to be elected; but in no event may a member vote for more than one Director from each district. If a husband and wife hold a joint membership, they will jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members, and the vote of either joint member binds the joint membership and constitutes one (1) vote. If the joint members cannot agree as to the manner in which their vote should be cast when called upon to vote, then they will be treated as having abstained.

At all meetings of the members at which a quorum is present, all questions will be decided by a vote of a majority of the members voting thereon in person and, where authorized by resolution of the Board of Directors, by mail; except as otherwise provided by law, the Restated Articles of Incorporation of the Association, as amended, or these By-Laws.

A member may vote by mail on any matter at any meeting of the members, including the election of Directors, provided that (a) the mail voting on such matter is required by these By-Laws or is authorized by a resolution of the Board of Directors adopted prior to the members' meeting, (b) such a vote is in writing on forms provided by the Association, and (c) such vote is signed by such member. The presence of a member at a meeting of the members will revoke a mail vote theretofore executed by such member and such member will be entitled to vote at such meeting in the same manner and with the same effect as if such member had not voted by mail.

In all elections where an issue is presented to the membership for a vote, or where there is a contest for the office of Director, the Board of Directors will appoint, at a monthly meeting of the Board of Directors held within three (3) months prior to the month in which the meeting of members is held, an Election Committee of not less than six (6) members. The Election Committee will meet prior to the convening of the meeting of members and will supervise the counting of ballots and rule on the validity of questionable ballots in accordance with procedures to be established by the Board of Directors. The Board of Directors will resolve any issues concerning the validity or counting of ballots that cannot be resolved by the Election Committee. In the event of a tie vote, the Election Committee will determine the outcome of the election by a drawing by lot.

Section 8. Proxies and Cumulative Voting. Voting by proxy and cumulative voting are prohibited at any and all meetings of the members.

Section 9. Meeting Agenda. The agenda for business at the Annual Meeting of the Members, and so far as possible at all other meetings of the members, will include, but not be limited to, the following items:

- (a) Reading of the Notice of the meeting and proof of the due publication and mailing thereof.
- (b) Report on the number of members present in person and by mail, if such is authorized, in order to determine the existence of a quorum.
- (c) Reading of the unapproved minutes of previous meetings of the members, or a motion to dispense with the reading of minutes, and the taking of necessary action thereon.
- (d) Introduction of Election Committee, if one is appointed.
- (e) Election of Directors.
- (f) Voting on any other issue presented for vote in the Notice of Meeting
- (g) Presentation and consideration of, and acting upon, reports of Officers, Directors and Committees.
- (h) Unfinished business.
- (i) New business.
- (j) Adjournment

ARTICLE III DIRECTORS

Section 1. General Powers. The business and affairs of the Association will be managed by a Board of Directors which will exercise all of the powers of the Association except such as are by law or by the Restated Articles of Incorporation of the Association, as amended, or by these By-Laws conferred upon or reserved to the members. The Board of Directors will consist of eight members until the Director election in 2008, after which time the Board of Directors will consist of seven members.

Section 2. Qualifications and Tenure. The persons elected will be elected for a term to expire at the third Annual Meeting of Members after their election or until their successors are elected and qualified; subject to the provisions of these By-Laws with respect to resignation and removal of Directors.

To be eligible to become or remain a Director of the Association, a person must:

- (a) be a member of the Association, or an individual authorized by an entity member,
- (b) be a bona fide resident of the particular district from which he or she is elected,
- (c) be a citizen of the United States of America,
- (d) not be a convicted felon,
- (e) be able and willing to actively participate in the management of the business and affairs of the Association,
- (f) not be employed by or hold a material financial interest in a competing enterprise or business, and
- (g) not make a material misrepresentation of fact to the members or other Directors in the process of the Director's election or appointment to office.

No employee, or spouse of an employee, of the Association will be eligible to become a Director within three (3) years of termination of employment with the Association. No person who is a member of the same household or close relative of, or who is employed by, a Director will be eligible to become a Director within three (3) years of termination of the Director's term as Director or the term of such employment. No member of the same household or close relative of a Director will be eligible to become or to remain an employee of the Association in a staff position or as a General Manager.

As used in these By-Laws, a "staff position" means a position the duties of which include either the hiring or the termination of other employees of the Association.

As used in these By-Laws, "close relative" means a person who is related to a Director by consanguinity or affinity, to the third degree or less, that is a person who is either a spouse, child, grandchild, great-grandchild, parent, grandparent, great-grandparent, brother, sister, aunt, uncle, nephew or niece, by blood or in-law, of the Director.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected a Director, provided, however, that neither one will be eligible to become or remain a Director in the Association unless both meet the qualifications hereinabove set forth.

Nothing in this section contained will, or will be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

Section 3. Nomination and Election of Directors. Directors will be elected at the Annual Meeting of Members by and from the members. At each Annual Meeting of Members, one (1) Director will be elected, by a vote of the entire membership, from each District in which the Director's term has expired.

Directors elected for any District must be residents of such District. Election of Directors will be by written ballot, except that election by voice vote will be allowed where only one (1) candidate has been nominated from a District. The candidate from each District receiving the highest number of votes will be considered elected as Director.

At a monthly meeting of the Board of Directors, held within six (6) months prior to the month in which the Annual Meeting is held, the Board of Directors will appoint a Nominating Committee consisting of one member from each District where vacancies in the Board of Directors must be filled at the forthcoming Annual Meeting because of the termination of the term of a Director or Directors. The Nominating Committee will meet at least 45

days before the Annual Meeting and will nominate qualified members as candidates for election to the Board of Directors from their respective Districts at the next Annual Meeting of Members.

In addition to those persons nominated by the Nominating Committee, any fifteen (15) or more members acting together, may make other nominations by Petition filed with the Secretary of the Association not less than forty-five (45) days prior to the Annual Meeting of Members. Those members signing such a Petition and the person nominated must be residents of the District in which the vacancy for the office of Director occurs. There will be no nominations from the floor at the Annual Meeting of Members.

All candidates will complete the Director Candidate Questionnaire adopted by the Board of Directors prior to their candidacy being considered by the Association.

In all elections where there is a contest for the office of Director, the names of the candidates will be listed on the ballot furnished to the members in alphabetical order, except that where one of the candidates is a Director of the Association, the name of the incumbent candidate will be listed first on the ballot.

Section 4. Director Districts. Effective as of the election of Directors in 2008, the territory served or to be served by the Association will be divided into seven (7) Districts. One Director will be elected from each district. The seven (7) Districts will be as follows:

District 1. All of Townships 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 South in Ranges 52, 53, 54, 55 and 56 West, Lincoln County, Colorado lying within the Association's service territory; and all of Township 5 South in Ranges 54, 55 and 56 West, Washington County, Colorado lying within the Association's service territory.

District 2: All of Townships 11, 12, 13, 14 and 15 South in Ranges 60 and 61 West, El Paso County, Colorado lying within the Association's service territory; all of Townships 6, 7, 8, 9, 10, 11, 12 and 13 in Ranges 57, 58 and 59 West, and all of Townships 6, 7, 8, 9 and 10 in Ranges 60 and 61 West, Elbert County, Colorado lying within the Association's service territory; and all of Townships 14, 15, 16 and 17 South in Ranges 57, 58 and 59 West, Lincoln County, Colorado lying within the Association's service territory.

District 3: All of Townships 7, 8, 9 and 10 in Ranges 62, 63, 64 and 65 West, Elbert County, Colorado lying within the Association's service territory; all of Townships 8, 9 and 10 in Ranges 65, 66 and 67 West, Douglas County, Colorado lying within the Association's service territory; and all of Township 11 South, Range 66 West, El Paso County, Colorado.

District 4: All of Townships 11 and 12 South in Ranges 62, 63 and 64 West, and all of Township 11 South, Range 65 West, El Paso County, Colorado.

District 5: All of Townships 13, 14, 15, 16 and 17 in Ranges 62, 63 and 64 West, El Paso County, Colorado, lying within the Association's service territory; all of Townships 15, 16 and 17 in Range 65 West, El Paso County, Colorado lying within the Association's service territory; and all of Township 18 South in Ranges 63, 64 and 65 West, Pueblo County, Colorado lying within the Association's service territory.

District 6: All of Townships 12, 13 and 14 South in Range 65 West, and all of Township 13 South in Range 66 West, El Paso County, Colorado, lying within the Association's service territory.

District 7: All of Townships 11 and 12 South in Range 67 West and all of Township 12 South in Range 66 West, El Paso County, Colorado lying within the Association's service territory.

The Board of Directors will review the composition of the several districts annually. Not less than five (5) months before any meeting of the members at which Directors are to be elected, and on an affirmative vote of not less than seventy percent (70%) of the Board (not counting vacancies on the Board), the Board of Directors may reconstitute the Districts or any of them.

Section 5. Resignation. A Director may resign at any time by giving written notice of resignation. The resignation of a Director is effective when the notice is received by the highest-ranking remaining officer of the Association and the General Manager, unless the notice specifies a later effective date.

Section 6. Removal of Directors. Any Director may be removed for cause at any time by the members pursuant to the procedure specified in this section. In addition, a Director may be removed by the Board of Directors, in accordance with administrative policies formally adopted by the Board, for failure to meet the qualifications set forth in Article III, Section 2 of these By-Laws.

A written petition, containing the signatures of members entitled to vote for a successor of the incumbent Director sought to be removed equal in number to five percent (5%) of the members, may be filed with the Association's Secretary, specifying in no more than two hundred (200) words the charges constituting cause for removal. The Director sought to be removed will be notified immediately of the petition.

No petition for removal will specify charges against more than one Director. If the removal of more than one Director is requested, a separate petition for each Director sought to be removed, including the specification of charges, must be filed with the Association's Secretary.

The petition(s) will be presented to and be voted upon at the next regular or special meeting of the members that is held at least 45 days following presentation of the petition to the Association's Secretary. A mail ballot on this issue is required, and the members may vote in person or by mail in the manner provided in Article II, Section 7 of the Bylaws and in Colorado law. On the official ballot at such removal election will be printed, in not more than two hundred (200) words, the reasons set forth in the petition demanding the removal; and in not more than three hundred words will be printed, if desired by the director and provided to the Association's Secretary no later than 40 days prior to such meeting, the Director's justification of his course of office. There will also be printed on the official ballot, as to every Director whose removal is to be voted on, the words: "Shall (name of Director against whom a removal petition has been filed) be removed as a Director of Mountain View Electric Association, Inc.?" Following such question will be the words "yes" and "no" on separate lines with a blank space at the right of each in which the voting member will indicate his vote for or against such removal. The voting members will be the sole and exclusive judges of the legality, reasonableness and sufficiency of the grounds assigned for removal of a Director, and such grounds will not be open for review. The affirmative vote of a both (1) a majority of the members voting thereon in person and by mail and (2) at least ten percent (10%) of the members eligible to vote is required to effect such removal.

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

Any vacancy in the Board of Directors created by such removal will be filled in the manner specified in Section 7, Article III, of these By-Laws, provided however, that any Director so removed may not be appointed by the Board and provided further that if all of the Board is removed, that Board will nevertheless have the authority to elect an interim successor Board, before it leaves office, to serve until the next annual meeting of members. Nothing in this section will be construed to affect the validity of any Board action in which a removed Director participated.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors will be filled by a majority vote of the remaining Directors, regardless of the original term of the Directorship for which a vacancy has occurred; provided, that the remaining Directors may choose to reconstitute the districts, as provided in Article III Section 4, prior to, or instead of, filling the vacancy. Directors thus selected will serve for the balance of the un-expired term of the vacancy being filled or until their successors have been elected and will have qualified.

Section 8. Compensation. Directors may be allowed a fair remuneration for the time spent in the service of the Association as Directors. In addition, the Association may, at its expense, purchase insurance (liability, life, medical and dental) on and for its Directors, and fund retirement and death benefit programs. No Director will receive compensation for serving the Association in any capacity other than as a Director.

Section 9. Rules and Regulations. The Board of Directors will have power to make and adopt such rules and regulations, consistent with law, the Restated Articles of Incorporation of the Association, as amended, or these By-Laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Association.

Section 10. Accounting System and Reports. The Board of Directors will cause to be established and maintained a complete accounting system, which among other things, subject to applicable laws and rules and regulations of any regulating body, will conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board of Directors will at least once during each twelve (12) month period cause to be made a full and complete audit of the accounts, books and financial condition of the Association as of a date not more than ninety (90) days prior to the date of such report.

Section 11. Indemnification. The Association may indemnify any person made a party to any action, suit or proceeding, whether civil or criminal, by reason of the fact that he or she, his or her testator, or intestate, is or was a Director, officer, agent or employee of the Association, against the reasonable expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with the defense of any action, suit or proceeding, or in connection with any appeal in it, if the Director, officer, agent or employee conducted himself or herself in good faith and reasonably believed that his or her conduct was in the Association's best interest; and in the case of any criminal proceeding, the Director, officer, agent or employee had no reasonable cause to believe his or her conduct was unlawful. Before any funds are advanced by the Association to or on behalf of any person pursuant to this paragraph, a determination will be made, in accordance with the procedures set forth in 7-109-106 Colorado Revised Statutes, that such person has met the standard of conduct set forth in this section.

The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the person did not meet the standard of conduct described in this section.

The Association will not indemnify such a person in connection with a proceeding by or in the right of the Association in which the person was adjudged liable to the Association; or in connection with any other proceeding charging that the person derived an improper personal benefit, whether or not involving action in an official capacity, in which proceeding the person was adjudged liable on the basis that he or she derived an improper personal benefit.

The Association will indemnify such a person who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the person was a party because the person is or was a Director, officer, agent or employee of the Association, against reasonable expenses incurred by him or her in connection with the proceeding.

Section 12. Limitation of Liability. No person will be liable to the Association for any loss or damage suffered by it on account of any action taken or omitted to be taken by him or her as Director, officer, agent or employee of the Association in good faith, if this person:

- (a) Relied upon financial statements of the Association represented to him or her to be correct by the President or other Officer of the Association having charge of its books of account or stated in a written report by an independent public or certified public accountant or firm of such accountants fairly to reflect the financial condition of the Association; or considered the assets to be of their book value; or
- (b) Relied upon the advice of legal counsel for the Association.

Section 13. Committees. The President, or the Board by resolution, may create any number of committees to assist the Board in efficiently carrying out its duties. The authority of each such committee will be set forth in the resolution creating the committee or in subsequent resolutions. The President will, from time to time, appoint the members of the committees to serve until a replacement is appointed or until the Board disbands the committee. Each committee will consist of at least two (2) Directors in addition to the President. The President will serve as an ex-officio member of each committee.

Section 14. General Manager. The Board of Directors will appoint a General Manager. The General Manager will be the principal administrative officer of the Association and will be accountable to the Board of Directors for the successful management of the Association.

ARTICLE IV MEETING OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board of Directors will be held monthly at such time and place as the Board of Directors may provide by resolution. A regular meeting of the Board of Directors will also be held without notice to the Board members, other than this By-Law, immediately before and at the same place as the Annual Meeting of the Members.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President or any three (3) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors, called by them.

Section 3. Notice and Adjournment. Notice of the time and place of each Board Meeting and a copy of the agenda designating the matters to be discussed or actions to be taken will be posted in each of the Association's service offices at least ten (10) days before the meeting. Copies of said agenda will be available at each service office for all members. In addition, a copy of such notice and agenda will be delivered personally or mailed to each Director at his/her last known address at least five (5) days before the meeting. The attendance of a Director at any meeting will constitute a waiver of notice of such meeting, except in case a Director will attend a meeting for the express purpose of objecting to the transaction of any business because the meeting will not have been lawfully called or convened. In addition, any Director may waive, in writing, any notice of meetings required to be given by these By-Laws. If the Board does not complete its agenda on the scheduled meeting date, it may adjourn the meeting to a subsequent date prior to its next regular meeting in order to complete its agenda without further notice or posting.

Section 4. Quorum. A majority of the Board of Directors will constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 5. Meeting Procedure. At all meetings of the Board of Directors, and of any committees thereof, meeting procedure, unless the Board of Directors resolves otherwise at any time, consistent with law, the Restated Articles of Incorporation of this Association, as amended and by the provisions of these By-Laws, will be governed in accordance with the latest edition of Robert's Rules of Orders.

Section 6. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present will be the act of the Board of Directors. In the event that an action is taken by the Board of Directors on a matter that is not listed on the agenda that is included with the notice of the meeting, or in the event that the agenda was not posted at least ten (10) days prior to the meeting as required by Article IV, Section 3 of these By-Laws, then reaffirmation of the action will be placed on the agenda for the next meeting of the Board of Directors.

Section 7. Telephone Meetings. Members of the Board of Directors or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear one another at the same time. Such participation will constitute presence in person at the meeting.

ARTICLE V OFFICERS

Section 1. Number. The Officers of the Association will be a President, Vice President, Secretary, Treasurer, Assistant Secretary and such other Officers as may be determined by the Board of Directors from time to time. The same person may hold the offices of Secretary and of Treasurer.

Section 2. Election and Term of Office. The Officers will be elected, by written ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members, except that election of an Officer by voice vote will be allowed where only one (1) candidate has been nominated for such office. If the election of Officers will not be held at such meeting, such election will be held as soon thereafter as conveniently may be. Each Officer will hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his or her successor will have been duly elected and will have qualified, subject to the provisions of these By-Laws with respect to resignation and removal of Officers.

Section 3. Resignation. An Officer may resign at any time by giving written notice of resignation. The resignation of an Officer is effective when the notice is received by the highest remaining Officer of the Association and the General Manager, unless the notice specifies a later effective date.

Section 4. Removal. Any Officer elected by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 5. Vacancies. Except as otherwise provided in these By-Laws, a vacancy in any office may be filled by and from the Board of Directors for the un-expired portion of the term.

Section 6. President. The President:

(a) will be the principal executive officer of the Association and will preside at all meetings of the members and of the Board of Directors.

(b) may sign any deed, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof will be expressly delegated by the Board of Directors or by these By-Laws to some other Officer of the Association, or will be required by law to be otherwise signed or executed; and

(c) will perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 7. Vice President. In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President will perform the duties of the President, and when so acting, will have all the powers of and be subject to all the restrictions upon the President. The Vice President will perform such other duties as from time to time may be assigned to the Vice President by the Board of Directors.

Section 8. Secretary. The Secretary will:

(a) supervise the preparation and preservation of minutes of meetings of the members and of the Board of Directors;

(b) see that all notices are duly given in accordance with these By-Laws or as required by law;

(c) supervise the authentication of the Association's records and the placement of the seal of the Association on any document authorized or approved by the members or the Board of Directors;

(d) supervise the maintenance at all times of a complete copy of the By-Laws of the Association containing all amendments thereto, and the provision of notice to each member at least annually of amendments to the By-Laws adopted by the Board of Directors since the last such notice; and

(e) perform such other duties as from time to time may be assigned to the Secretary by the Board of Directors.

Section 9. Assistant Secretary. In the absence of the Secretary, or in the event of the Secretary's inability or refusal to act, the Assistant Secretary will perform the duties of the Secretary, and when so acting, will have all the powers of and be subject to all the restrictions upon the Secretary. The Assistant Secretary will perform such other duties as from time to time may be assigned to the Assistant Secretary by the Board of Directors.

Section 10. Treasurer. The Treasurer will:

- (a) be the principal financial officer of the Association;
- (b) supervise the care and custody of all funds, receipts, securities, evidences of indebtedness and other intangibles of the Association, and supervise the deposit of such property in accordance with the instructions of the Board of Directors;
- (c) supervise the payment, out of the Association's funds on hand, of all bills, payrolls and other just debts upon maturity;
- (d) perform such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

Section 11. Bonds of Officers. The Board of Directors will bond the Treasurer or any other Officer of the Association charged with responsibility for the custody of any of its funds and property, in such sum and with such surety as the Board of Directors will determine. The Board of Directors in its discretion may also bond any other officer, agent or employee of the Association in such amount and with such surety as it will determine. The Board of Directors in its discretion may elect to purchase insurance coverage against loss of Association assets through negligence or criminal acts, in such amounts and with such surety as it will determine, in lieu of purchase of formal bonds.

Section 12. Reports. The President and the General Manager will submit at each Annual Meeting of the Members a report covering the business of the Association for the previous year and showing the condition of the Association at the close of the previous fiscal year.

Section 13. Delegation of Duties. 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 General Manager.

ARTICLE VI CONTRACTS, CHECKS AND DEPOSITS

Section 1. Contracts. Except as otherwise provided in these By-Laws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Association will be signed by such officer or officers, agent or agents, or employee or employees of the Association and in such manner as will from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds of the Association will be deposited from time to time to the credit of the Association in such bank or banks as the Board of Directors may select. Association funds may also be held in savings and loan associations, U.S. Government obligations, certificates of deposit, or invested in rural development projects and organizations that will, in the opinion of a majority of the full Board of Directors, benefit this Association.

ARTICLE VII NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. The Association will at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends will be paid or payable by the Association on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Association's operations will be so conducted that all patrons will, through their patronage, furnish capital for the Association. In order to induce patronage and to assure that the Association will operate on a non-

profit basis, the Association is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. For the purpose of determining patronage ratios, patronage will not include miscellaneous electric revenue, since those charges are in the nature of expense recoveries for extra costs incurred besides those for providing normal electric service. All such amounts in excess of purchased power, operating costs and expenses at the moment of receipt by the Association are received with the understanding that they are furnished by the patrons as capital. The Association is obligated to credit a capital account for each patron all such amounts in excess of the cost of purchased power, operating costs and expenses. The books and records of the Association will be set up and kept in such a manner that for each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron will have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Association corresponding amounts for capital.

All other amounts received by the Association from its operations in excess of costs and expenses will, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amounts so allocated will be included as a part of the capital credited to the accounts of patrons; provided, that the Board of Directors will have the power to adopt rules providing for the separate segregation and allocation of the cost of purchase power to each rate class for purposes of determining patronage, and for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Association by an organization furnishing electric service or any other service or supply to the Association.

Capital credited to the account of each patron will be assignable only on the books of the Association pursuant to written instruction from the assignor, unless the Board of Directors, acting under policies of general application, will determine otherwise.

In the event of dissolution or liquidation of the Association, after all outstanding indebtedness of the Association will have been paid, outstanding capital credits will be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

If at any time prior to dissolution or liquidation, the Board of Directors will determine that the financial condition of the Association will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. If the Board of Directors decides to retire any such capital, then the Board will determine the basis, priority, and order of retirement for such retirements of capital.

Notwithstanding any other provision of these By-Laws, the Board of Directors, at its discretion, will have the power at any time upon the death of any patron who was a natural person, if the legal representative of his or her estate will request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these By-Laws, to retire capital credits to any such patron immediately upon the terms and conditions as the Board of Directors and a legal representative of such patron's estate will agree upon, provided, however, that the financial condition of the Association will not be impaired thereby.

ARTICLE VIII DISPOSITION OF PROPERTY

The Association may not sell, lease or otherwise dispose of any of its property other than:

- (a) property which in the judgment of the Board of Directors neither is nor will be necessary or useful in operating and maintaining the Association's system and facilities; provided, however, that all sales of such property will not, in any one (1) year, exceed in value ten percent (10%) of the net utility plant of the Association;

(b) services of all kinds, including electric energy; and

(c) personal property acquired for resale;

unless such sale, lease or other disposition is authorized at a meeting of the members by the affirmative vote of at least two-thirds (2/3) of all members entitled to vote thereon at such meeting in person or by mail (subject to the provisions of Section 7 of Article II herein prescribing the method of mail voting), and the notice of such proposed sale, lease or other disposition will have been contained in the notice of the meeting.

The terms "sell, lease or otherwise dispose of" as used in this article will not include the execution and delivery of mortgages, or deeds of trust upon, or the pledging of or encumbering of any or all of the property, assets, licenses, franchises, or permits, or other things of value of the Association whether acquired or to be acquired and wherever situated, as well as any revenues and incomes therefrom.

ARTICLE IX FISCAL YEAR

The fiscal year of the Association will begin on the first (1) day of January of each year and end on the thirty-first (31) day of December of each year.

ARTICLE X SEAL

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

ARTICLE XI AMENDMENTS

These By-Laws may be altered, amended or repealed by the Directors at any regular or special meeting, provided the notice of any such meeting will have contained a copy of the proposed alteration, amendment or repeal.

ARTICLE XII SET-OFF

Any funds to be paid a consumer by the Association, whether a retirement of capital credits or otherwise, will first be reduced by set-off and recoupment of any amounts due the Association, as shown on the records of the Association, regardless of the time or times such amounts became due and owing.

ARTICLE XIII FAILURE TO CLAIM PROPERTY

In all cases where a member or a patron fails to claim any deposits, stocks, dividends, capital credits, patronage refunds, or any other property held for him or her by the Association (except as provided in the State of Colorado Unclaimed Property Act) after the same have been declared payable to him or her, such failure will be and constitutes an irrevocable assignment and gift by such member or patron of such capital credit or other property to the Association; and the Association may recover and use such property or refunds for expenditures associated with the provision of electric service, provided that the Association has first given notice by mail addressed to such member or patron at his or her last known address as shown by the records of the Association, and such notice has been returned by United States mail to the Association, and further, that the Association has caused to be published a notice by two (2) consecutive insertions in a newspaper of general circulation in the service area of the Association that unless such payment is claimed, his or her claim thereto will be extinguished and forever barred; and it is provided further, that such irrevocable assignment and gift will not be effective, and that such property or funds cannot be so used until after a period of six (6) years from the date of mailing and publishing such notice, and if the member or patron does not claim such property or funds within such six (6) year period, his or her claim will be extinguished and forever barred.

**ARTICLE XIV
CONTRACT**

The patrons of the Association, by dealing with the Association, acknowledge that the terms and provisions of the Restated Articles of Incorporation of the Association, as amended and By-Laws will constitute and be a contract between the Association and each patron, and both the Association and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The Restated Articles of Incorporation, as amended, and the By-Laws will always be open to the inspection of any member; and the Association will provide, at the expense of the Association, a complete copy of the By-Laws, as amended, to each new and existing member that requests a copy. The provisions of this article of the By-Laws will be called to the attention of each patron of the Association by posting in a conspicuous place in the Association's office.

**MOUNTAIN VIEW
ELECTRIC ASSOCIATION, INC.**
P.O. Box 1600
Limon, Colorado 80828

Subject: STATEMENT OF NONDISCRIMINATION

Policy: Mountain View Electric Association, Inc. is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture. In accordance with Federal law and U. S. Department of Agriculture policy, this Association is prohibited from discriminating on the basis of race, color, national origin, age or disability. The person responsible for coordinating this organization's compliance effort is the Administrative Manager of Mountain View Electric Association. To file a complaint of discrimination, write to: U.S. Department of Agriculture, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue SW, Washington, D.C. 20250-9410; or call (202)720-5964 (voice or TDD). The U. S. Department of Agriculture is an equal opportunity provider and employer.