

COOPERATIVE BYLAWS



MT. WHEELER POWER
Powering Your Future



Touchstone Energy[®]
Cooperatives
The power of human connections[®]

We
EMPOWER
Safety

Preface

Mt. Wheeler Power, Inc. is a Cooperative. It was incorporated under the laws of the State of Nevada on the 30th day of October 1963.

Concerned citizens in the rural areas of eastern Nevada and western Utah had been trying for many years to get utilities in adjacent areas to bring central station electricity to this area. Eventually it became apparent that it would be necessary to put together a cooperative type organization and to approach the Rural Electrification Administration for assistance and financing in developing our own utility company.

Our area had become known as the last great “power desert” in the country. Since the area was so vast and the distances between consumers (even potential future consumers) were so great, REA was very reluctant to approve and finance a development program here.

Finally, after literally years of work by many people volunteering their time, donating money, preparing studies, traveling, negotiating, and then beginning all over again, it succeeded. REA agreed upon an overall program with an initial loan of \$15.1 million dollars to construct a system which included parts of three counties in western Utah, White Pine County, and parts of Eureka, Nye, and Elko counties in Nevada; as well as the purchase of Eureka Power and Light Co., and Ely Light and Power Co. as a part of the total system. The purchase of Ely Light and Power Co. was completed February 19, 1970, and Mt. Wheeler Power, Inc. became a functioning electric utility.

You, as consumers and members of Mt. Wheeler Power, Inc., are participants in the power system. The by-laws printed in this pamphlet detail the corporate structure of the Cooperative and outline the responsibilities, duties, and privileges of all the members, and of those who govern and manage it. Amendments or repeal of by-laws shall be by a two-thirds vote of the elected Board of Directors or by the written consent of a majority of the members. A copy of the Articles of Incorporation is available at our offices for your inspection.

Mt. Wheeler Power is a sound business enterprise, contributing to the financial development of the communities it serves. It is an accomplishment we can all be proud of.

Mt. Wheeler Power Inc.

Bylaws

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Mt. Wheeler Power Inc.

Bylaws

Article I Membership

SECTION 1.01 Eligibility, Terms, Requirement

1.01.1 Any individual or entity (Person) with the capacity to enter legally binding contracts and who consumes, receives, purchases, otherwise uses or contracts for the use of (collectively, Uses) electric power or energy transmitted, distributed, sold, supplied, furnished, or otherwise provided (collectively, Provided) by Mt. Wheeler Power, Inc. (Cooperative) and owns, occupies or is using premises within the Cooperative service area shall be eligible to become a member of and to receive electric service from the Cooperative.

1.01.2 An entity includes, but is not limited to: corporations, statutorily formed associations, limited liability companies; and States, United States of America or any agencies or political subdivisions thereof.

1.01.3 Members who receive seasonal electric service shall remain a member, after the season is over, so long as they intend to continue taking seasonal electric service.

1.01.4 No person either individually or through an entity not considered to be legally separate from its members, owners, or participants may hold more than one membership in the Cooperative.

1.01.5 Unless these Bylaws provide otherwise, a Person is not eligible to become a Member, other than a Joint Member if the Person resides at, engages in a business at, owns, controls, or otherwise occupies a residence, office, building, premise, structure, facility, or other location (collectively, Location) occupied by another Person who:

- (a) Is a Member; or
- (b) Owes the Cooperative any delinquent amount.

SECTION 1.02 Applications for Membership, Renewal of Prior Memberships

1.02.1 All persons and entities are required to complete a written application for membership in the form provided by the Cooperative and the applicant must agree to:

- (a) purchase electric power from the Cooperative;
- (b) to be bound by and comply with the Cooperative's:
- (c) Articles of Incorporation;
- (d) Bylaws;
- (e) All rules, regulations, requirements, guidelines, procedures, policies, programs, determinations, resolutions, or actions taken, adopted, promulgated, or approved by the Cooperative's board of directors (Board) or membership;
- (f) Rate classifications and rate schedules;
- (g) National Electrical Code; and the
- (h) National Electrical Safety Code;

as all the same then exist or may thereafter be adopted, repealed or amended (the obligations embraced by such agreement being hereinafter called "membership obligations").

1.02.2 When required in respect to a particular classification of service the membership application shall be accompanied by a supplemental contract executed by the applicant in the form provided by the Cooperative.

1.02.3 There shall be no membership fee, but the application may be accompanied by:

- (a) Any service connection fee required by the Cooperative's service rules and regulations;
- (b) Any required service security deposit;
- (c) Any required facilities extension deposit, advance of engineering and other costs, or contribution in aid of construction.

In the event the application is denied these funds may be refunded by the Cooperative.

1.02.4 Any former member of the Cooperative may renew and reactivate any prior membership by paying any fees and any outstanding account due the Cooperative plus accrued interest thereon (at the interest rate as established by the Board or by law) and any other additional payments, if any, that may be due to the Cooperative. All membership rights and obligations apply fully to such members

SECTION 1.03 Acceptance into Membership

1.03.1 Any person or entity who, prior to the adoption of these Bylaws, was a member of the Cooperative because he/she took electric service from the Cooperative or from any of the Cooperative's predecessor power companies shall continue to be a member of the Cooperative while receiving service from it, subject to the other provisions of these Bylaws. All membership rights and obligations apply to such members.

1.03.2 Upon complying with the requirements set forth in Section 1.02, receiving electric service or entering into a contract to receive electric service from the Cooperative, any person or entity shall automatically become a member.

1.03.3 The Cooperative may reject or deny an application and refuse to furnish service upon its determination that the applicant is not willing or is not able to satisfy and abide by the membership obligations or such application may be denied for other good cause.

SECTION 1.04 Recognition of Members

1.04.1 Upon discovery that the Cooperative is furnishing electric service to any person or entity other than one who has made written application, the Cooperative shall cease furnishing such service unless such person or entity files an application for membership which is accepted by the Cooperative. In such cases the applicant shall be recognized as being a member from the date such person or entity first began receiving such service.

SECTION 1.05 Joint Membership

1.05.1 If electric service is or shall have been applied for by either spouse of a married couple, or held in the name of either spouse, the two of them shall together constitute one joint membership, unless both shall sign or shall have signed a written request that only a designated one of them shall be a member. The terms "member", "applicant", "entity", "person", "his", "her" and "him", as used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text. All provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them.

1.05.2 The presence at a meeting of either or both joint members constitutes the presence of one member, and a waiver of notice of the meeting by both joint members.

1.05.3 The vote of either or both joint members constitutes one vote. The first vote cast by a joint member will be the vote counted. If there is a dispute as to which joint member may vote, the right to vote will be suspended until the dispute is resolved between the joint members.

1.05.4 Termination of membership, in any manner, of one joint member constitutes termination of the membership as a joint membership.

1.05.5 Either joint member, but not both concurrently, shall be eligible to serve as a director on the Board, but only if the person serving meets the qualifications for such office.

1.05.6 If one joint member elects not to be a joint member then he or she shall not be eligible for an individual membership.

SECTION 1.06 Effect of Death or Divorce upon a Joint Membership

1.06.1 Upon the death of either of the joint members of a joint membership or upon a divorce, the joint membership shall terminate. The person who continues to occupy

or use the premises served by the Cooperative, shall be required to make application for a new membership effective as of the date of death of the other joint member or the date of entry of the divorce or the Cooperative may terminate service pursuant to Section 1.04. The estate of the deceased spouse or the divorced joint members shall not be released from any debts due the Cooperative prior to the date of death or divorce.

SECTION 1.07 Termination of Membership upon Termination of Service

1.07.1 If a member no longer takes electric service from the Cooperative then the membership shall be automatically canceled and terminated without further action by the Cooperative unless these Bylaws provide otherwise.

SECTION 1.08 Termination by Death or Cessation of Existence, Continuation of Membership in Remaining or New Partners

1.08.1 The cessation of the legal existence of any other type of entity shall automatically terminate such membership.

SECTION 1.09 Effect of Termination

1.09.1 Upon the termination in any manner of a membership the member shall be entitled to a refund of the service security deposit, if any, theretofore paid to the Cooperative, less any amounts due the Cooperative. No individual, estate or entity shall be released from any debts, liabilities or other obligations then remaining due to the Cooperative.

SECTION 1.10 Non-Termination

1.10.1 No membership shall be terminated during the time that a member is receiving electric service from the Cooperative unless these Bylaws provide otherwise.

Article II Meetings of Members

SECTION 2.01 Annual Meetings

2.01.1 The Cooperative may hold an annual meeting of members each year; provided, however, that no annual meeting shall be held unless the Board determines by a majority vote before the end of each calendar year to hold an annual meeting during the subsequent calendar year. The Board may designate a place, within the service area of the Cooperative, date and time, for any annual meeting of the members.

SECTION 2.02 Special Meetings

2.02.1 A special meeting of the members may be called by resolution of the Board, by:

- (a) any five (5) directors; or
- (b) by petition signed by not less than ten percent (10%) of the persons who are then members of the Cooperative.

It shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as provided in Section 2.03. Special meetings of the members may be held at any place within the Cooperative's service area, at such place and on such date, not sooner than seventy-five (75) days after the call for such meeting, if the call is made by a member petition, and beginning at such hour as shall be designated by those calling the same.

SECTION 2.03 Notice of Member Meetings

2.03.1 The Cooperative shall deliver written notice of the Member Meeting:

- (a) Personally or by mail;
- (b) To all Members entitled to vote at the Member Meeting;
- (c) Indicating the date, time and location of the Member Meeting;
- (d) In the case of a special meeting or of an annual meeting at which special notice of the business to be transacted is required, a description of any matter to be considered, or voted or acted upon, at the Member Meeting;
- (e) Notice shall be delivered to each member not less than fifteen (15) days nor, except as provided in Section 9.01, more than sixty (60) days before the date of the meeting.

2.03.2 Any notice delivered by mail may be included with the Members' billing or

as an integral part of or with a Cooperative newsletter and/or any other publication regularly circulated to all of the members.

2.03.3 If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his/her address as it appears on the records of the Cooperative, postmarked at least eighteen (18) calendar days prior to the meeting date. In making such computation, the date of the meeting shall not be counted.

2.03.4 The incidental and non-intended failure of any member to receive a notice deposited in the mail addressed to the member at his/her address as shown on the Cooperative's books shall not invalidate any action which may be taken by the members at any such meeting.

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

SECTION 2.04 Quorum

2.04.1 Business may not be transacted at any meeting of the members unless there is a quorum of members present. To establish a quorum two and one-half percent (2.5%) of the total members up to five thousand (5,000) members plus one percent (1%) of the total members that exceed five thousand (5,000) members must be present in person for the meeting. All members who attend the member meeting shall sign a registration list. That registration list shall be used to determine the number of members present in person for the purpose of determining a quorum.

2.04.2 If less than the required quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

2.04.3 At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present in person.

SECTION 2.05 Voting by Members

2.05.1 Each member shall be entitled to only one vote upon each matter submitted for a vote by or for the assent of the members.

2.05.2 Members who have an entity as defined in Section 1.01.2 of these Bylaws may vote through any officer, director, or manager of its organization or business enterprise herein the "authorized representative". Should a question arise as to what individual may vote for any such entity, the right of said member to vote shall be suspended until such time as the Cooperative shall have received, in writing a designation of the person entitled to vote by the governing board or proper authority of the member entity. Any dispute as to joint members shall be resolved under Section 1.05 of these Bylaws.

2.05.3 At all meetings of the members, all questions shall be decided by a vote of a majority of the members voting thereon, except as otherwise provided by law, the Cooperative's Articles of Incorporation, or these Bylaws.

SECTION 2.06 Voting List

2.06.1 The Secretary of the Cooperative shall make, and keep current, a complete list of the members entitled to vote at any meeting of members, or any adjournment thereof. The list shall be arranged in alphabetical order and contain the mailing address of each member. The list shall be kept on file at the principal office of the Cooperative and shall be subject to inspection pursuant to policies of the Cooperative. Such lists shall also be produced and kept open at the time and place of any meeting of members and shall be subject to the inspection of any member during the said meeting. Failure to comply with the requirements of this section shall not affect the validity of any action taken at such meeting. The Cooperative may require, before a

member is authorized to inspect the list of members' names and addresses, that the member requesting such inspection furnish an affidavit that:

- (a) such inspection is not desired for a purpose which is in the interest of a business or object other than the business of the Cooperative; and,
- (b) that the member has not at any time sold or offered for sale any list of members, will not use the list for any purpose contrary to the interests of the Cooperative, or has aided or abetted any person in procuring any such list of members for any such purposes.

SECTION 2.07 Order of Business

2.07.1 The order of business at the annual meeting of the members, and insofar as practicable or desirable, at all other meetings of the members shall be essentially as hereinafter set out:

- (a) Registration;
- (b) Report on the number of members registered in person in order to determine the existence of a quorum;
- (c) Reading of the Notice of the Meeting and Proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, the case may be;
- (d) Reading of unapproved Minutes of previous meetings of the members and the taking of necessary action thereon;
- (e) Presentation and consideration of reports of officers, directors and committees;
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

2.07.2 Notwithstanding the foregoing, the Board may alter the order of business. No business requiring a vote of the members, other than adjournment of the meeting to another time and place, may be transacted unless a quorum has been established.

SECTION 2.08 Proxies

2.08.1 The voting shall be in person at all meetings or precincts, or by mail by those qualified, as provided in these Bylaws, and no member shall be entitled to vote by proxy or power of attorney.

SECTION 2.09 Permitted Member Action at Member Meetings

2.09.1 At any Annual Member Meeting or Special Member Meeting, members may only consider, vote, or act only upon a matter for which:

- (a) Unless otherwise provided in these Bylaws, the Board of Directors and members were properly notified;
- (b) The members are authorized to consider, vote, or act upon; and
- (c) Was described and set forth in the notice of the Annual or Special Member Meeting.

ARTICLE III Board of Directors of Mt. Wheeler Power, Inc.

SECTION 3.01 Number and General Powers

3.01.1 The Board of Directors shall consist of nine (9) directors, which shall exercise all of the powers of the Cooperative except such powers as are reserved to the members.

SECTION 3.02 Policies, Rules, Regulations, Rate Schedules and Contracts

3.02.1 The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such policies, rules and rate schedules, contracts and conduct all other business affairs of the Cooperative, as it may deem advisable for the management, administration and regulation of the Cooperative.

SECTION 3.03 Qualifications

3.03.1 No person shall be eligible to become or remain a director of the Cooperative who:

- (a) While serving on the Board of Directors or during the five (5) years preceding his/her nomination thereto shall have been finally

- adjudged to be guilty of a felony; or
- (b) Is a close relative of an incumbent director or of an employee of the Cooperative; or
- (c) Has been employed by the Cooperative in the past three (3) years; or
- (d) Has not been, for at least forty five (45) days prior to his/her nomination, a member of the Cooperative, receiving service therefrom at his/her primary residential abode in the Directorate District from which he/she is seeking election; or
- (e) Is not, a natural person, at least eighteen (18) years of age; or
- (f) Is engaged in, employed by, materially affiliated with, or has a material financial interest in, any individual or entity:
 - (1) Directly and substantially competing with the Cooperative; or
 - (2) Possessing a substantial conflict of interest with the Cooperative.
- (g) Ceases to live and receive service from the Cooperative at his/her primary residence in the directorship district to which he/she was elected.
- (h) Must be a member in good standing of the Cooperative. "Good Standing" means that a person has not consistently (more than twice) been in violation of the Cooperative's Rates, Rules, Regulations and Policies, during the last twelve (12) months preceding his/her nomination or at any time during his/her incumbency.

3.03.2 Any director who fails to meet all the requirements set out in 3.03.1 shall be deemed ineligible for nomination or to remain in office as a director.

3.03.3 Notwithstanding the foregoing restrictive provisions of this Section based upon close relative relationships, no incumbent director shall lose their eligibility to remain a director or to be re-elected a director, if during their incumbency as a director, they become a close relative of another incumbent director or of a Cooperative employee because of a marriage or an adoption to which they were not a party.

3.03.4 Upon establishing that a nominee for director or a person already holding a directorship does not meet the eligibility requirements under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Board of Directors to disqualify the nominee or the director already holding a directorship. It shall be the duty of the Board of Directors to withhold such position from the nominee or to cause the person already holding a directorship to be removed from office.

3.03.5 Nothing contained in this Section shall, or shall be construed to, affect the validity of any action taken at any meeting of the Board of Directors unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have a personal interest in conflict with that of the Cooperative.

SECTION 3.04 Nominations

3.04.1 Fifteen (15) or more members shall have the right to nominate a qualified candidate for election to the Board of Directors. Such nomination shall be made in writing on a form provided by the Cooperative and the written form must be delivered to the Cooperative's office in Ely, Nevada, no later than 4:00 P.M. on the date and time so determined by the Board of Directors in January of each year, at which time and date nominations shall close. Members shall have no less than 30 calendar days to gather signatures for a Petition. The fifteen (15) or more members, which may include the nominee, must be members who receive service from the Cooperative within the Directorate District for which such nomination is made.

3.04.2 The nomination shall specify only one Directorate District for which the nomination is made. The nominee must sign the nominating petition and affirm thereon that he/she is a resident of the Directorate District for which a director is being elected and is eligible to serve and is able and willing to attend Board of Directors meetings and otherwise perform his/her duties as a director diligently. No member may file a nominating petition for more than one Directorate District during any annual election of Directors.

3.04.3 Unless the nominee shall previously have served on the Board of Directors for at least one (1) year, he/she shall also affirm that, unless prevented from so doing by

circumstances beyond his/her control, he/she will attend the informational orientation workshop provided for in subsection 3.04.6 below. If the nominee is prevented from attending the workshop, the nominee shall attend the workshop as soon thereafter as one is scheduled.

3.04.4 No nomination shall nominate more than one (1) person.

3.04.5 Nominations shall not be made in any other manner.

3.04.6 Except as provided in Subsection 3.04.3 above, to be qualified to be put on the ballot for election or to be appointed to fill a vacancy on the Board of Directors, a person who has not previously served on the Board of Directors shall be required to attend an informational orientation workshop. The workshop shall be presented by the Cooperative each year on a date or dates which shall be after the close of nominations and prior to the first date that absentee ballots are to be made available to members pursuant to Section 3.07.6 or at such other time as the Cooperative may set for a person who is to be appointed.

3.04.7 The Board of Directors shall cause official ballots to be prepared and printed promptly after the holding of the workshop for nominated candidates. The ballot shall be divided into sections corresponding to the Directorate Districts for which the directors are to be elected. The names of all qualified persons who have been nominated shall appear on such official ballots in alphabetical order for each Directorate District.

3.04.8 In the event no qualified person is nominated to be elected to represent a particular District, a vacancy shall occur at the end of the regular three-year term of the director currently serving, and the vacancy shall be filled pursuant to Section 3.10.

SECTION 3.05 Tenure of Directors

3.05.1 Directors shall be so nominated and elected that one director for each of Directorate Districts Nos. 1, 3, and 7 shall be elected for three year terms in 1996; one director for each Directorate Districts Nos. 4, 6, and 8 shall be elected for three years terms in 1997; and, one director for each of Directorate Districts Nos. 2, 5, and 9 shall be elected for three year terms in 1998; and, so forth, except as otherwise provided in these Bylaws.

3.05.2 Upon their election, a director shall, subject to the provisions of these Bylaws, serve from May 1st in the year the director is elected until April 30th three years later, in the year in which their term expires.

3.05.3 Failure of an election to be held for a given year shall allow the incumbents whose Directorships would have been voted on to hold over only until the next election of directors is held and until their successors shall have been elected and have qualified. When the election is held, the members so elected shall serve out the remainder of the three year term as set forth in Section 3.05.1.

3.05.4 The term of office of a director shall commence on May 1st of the year elected; and, subject to the provisions of 3.05.3, shall continue until April 30th of the third (3rd) year thereafter; and, until his/her successor is elected and has qualified.

SECTION 3.06 Directorate Districts

3.06.1 The territory served by the Cooperative shall have nine (9) Directorate Districts and each shall be represented by one director, unless there is a vacancy addressed by Section 3.10 below. The Directorate Districts are numbered and described as follows:

District No 1: Consists of an area bounded as follows:

Beginning at the centerline intersection of Aultman Street (U.S. 50 West) and U.S. 50, 6 & 93; thence southeasterly along the Centerline of U.S. 50, 6, & 93 to an intersection point on the southerly boundary of Section 35, Township 16N Range 63E; thence westerly along the southerly boundary of Township 16N Range 63E along Sections 35, 34, 33, 32 & 31 to the southwest Section corner of Section 31; thence northerly along the westerly boundary of Township 16N Range 63E along Sections 31, 30, 19, 18 & 7 to an intersection point on the Centerline of U.S. 50 West, within Section 7; thence easterly along the Centerline of U.S. 50 West to the point of beginning.

District No. 2: Consists of an area bounded as follows:

Beginning at the centerline intersection of Ave. F and U.S. 50, 6 & 93; thence easterly along the Centerline of Ave. F to an intersection point with the northerly section line of Section 14, Township 16N Range 63E; thence easterly along the northerly section line of Sections 14 & 13 to the northeast section corner of Section 13, Township 16N Range 63E.; thence southerly along the easterly boundary of Township 16N Range 63E along Sections 13, 24, 25 & 36 to the southeast section corner of Section 36; thence westerly along the southerly boundary Township 16N Range 63E along Sections 36 & 35 to an intersection point on the centerline of U.S. 50, 6 & 93 within Section 35; thence Northwesterly along the centerline of U.S. 50, 6 & 93 to the point of beginning.

District No. 3: Consists of the McGill area more particularly described as follows: Shall include all members residing in the town of McGill; and within 2 miles from the limits thereof.

District No. 4: Consists of an area bounded as follows:

Point of beginning being the intersection with the Elko-White Pine County line and the Utah-Nevada state line; thence westerly along the Elko-White Pine County line to an intersection with the westerly range line Range 66E; thence southerly along said range line between Ranges 65 and 66E to an intersection with the White Pine-Lincoln County line; thence westerly along the White Pine-Lincoln county line to the southwest corner Township 10N Range 64E; thence northerly between Range 63 and 64E to the northeast corner, Township 12N Range 63E; thence westerly between Township 12N and 13N to the southwest corner Township 13N Range 63E; thence northerly between Range 62 and 63E to the northeast corner Township 14N Range 62E; thence westerly along the northerly boundary Township 14N Ranges 62, 61, 60, 59 and 58E to the southwest corner Township 15N Range 58E; thence northerly between Ranges 57E and 58E to the northwest corner Township 23N Range 58E; thence easterly along the northerly boundary of Township 23N Range 58 and 59E to the southwest corner Township 24N Range 60E; thence northerly along the westerly boundary of Township 24N to the northwest corner Township 24N Range 60E; thence easterly along the northerly boundary Township 24N Range 60E to the southeast corner Section 33 Township 25N Range 60E; thence northerly to the northwest corner Section 3 Township 25N Range 60E; thence easterly along the southerly boundary Township 26N Range 60E to an intersection point with the west line of Range 61E; thence northerly along the westerly boundary Townships 26, 27 and 28N to an intersection point on the south boundary Township 29N; thence easterly along the southerly boundary Township 29N Ranges 61, 62 and 63E to the southwest corner Section 31 Township 29N Range 64E; thence northerly to the northwest corner Section 31 Township 29N Range 64E; thence easterly to the southwest corner Section 27 Township 29N Range 65E; thence northerly to the northwest corner Section 27 Township 29N Range 65E; thence easterly to the southwest corner Section 20 Township 29N Range 66E; thence northerly to the northwest corner Section 20 Township 29N Range 66E; thence easterly to the southwest corner Section 14 Township 29N Range 66E; thence northerly to the northwest corner Section 14 Township 29N Range 66E; thence easterly to the southwest corner Section 7 Township 29N Range 67E; thence northerly to the northwest corner Section 7 Township 29N Range 67E; thence easterly to the southwest corner Section 4 Township 29N Range 67E; thence northerly to the northwest corner Section 4 Township 29N Range 67E; thence easterly to the southwest corner Section 36 Township 30N Range 67E; thence northerly to the northwest corner Section 36 Township 30N Range 67E; thence easterly to the southwest corner Section 27 Township 30N Range 68E; thence northerly to the northwest corner Section 27 Township 30N Range 68E; thence easterly to the southwest corner Section 19 Township 30N Range 69E; thence northerly to the northwest corner Section 19 Township 30N Range 69E; thence easterly to the southwest corner Section 15 Township 30N Range 69E; thence northerly to the northwest corner Section 15 Township 30N Range 69E; thence easterly to the southwest corner Section 7 Township 30N Range 70E; thence northerly to the northwest corner Section 7 Township 30N Range 70E; thence easterly to the southwest corner Section 3 Township 30N Range 70E; thence northerly to the northwest corner of Section 3 Township 30N Range 70E; thence easterly along the north line of Township 30N to its intersection with the Nevada-Utah state line; thence southerly along the Nevada-Utah state line to the point of beginning; EXCEPTING the areas included with Districts 1, 2, 3, 8 and 9.

District No. 5: Consists of Preston, Lund, White River, Sunnyside, Currant, Duckwater, Railroad Valley and Nyala areas more particularly described as follows:

Beginning at the intersection of range line between Ranges 63 and 64 and the White Pine-Lincoln County line; thence northerly along said range line to the northeast corner of Township 12N Range 63E; thence westerly to the northwest corner of Township 12N and Range 63E; thence northerly to the northeast corner of Township 14N Range 62E; thence westerly to the northwest corner of Township 14N Range 58E; thence southerly along the range line between Ranges 57E and 58E to an intersection point with the Nye-White Pine County line; thence northwesterly along the Nye-White Pine County line to a point common to the Eureka-Nye-White Pine County lines; thence westerly along the Eureka-Nye County line to an intersection with the westerly range line between Range 49E; thence southerly along the west Range line between Range 49E to an intersection with the township line between Townships 10N and 11N; thence easterly to the northeast corner of Township 10N Range 54E; thence southerly along the range line between Ranges 54E and 55E to an intersection with the Lincoln-Nye County line; thence easterly along the Nye-Lincoln County line to an angle point in said county line; thence northerly along said County line to a point common to Nye-Lincoln-White Pine County lines; thence easterly to the point of beginning.

District No. 6: Consists of an area bounded as follows:

All of the members residing in Utah in Mt. Wheeler Power, Inc. Service area in Snake Valley, as well as, the members within that portion of Spring Valley and Antelope Valley, bounded as follows: point of beginning being the intersection with the Elko-White Pine County line and the Utah-Nevada state line: thence westerly along the Elko-White Pine County line to an intersection with the westerly range line Range 66E; thence southerly along said range line between Ranges 65 and 66E to an intersection with the White Pine-Lincoln County line; thence easterly along said county line between Township 10N and 9N to an intersection with the Nevada-Utah state line; thence northerly along the Nevada-Utah state line to the point of beginning.

District No. 7: Consists of Eureka, Newark, and Diamond Valley areas more particularly described as follows:

Point of Beginning being the intersection of the White Pine-Nye County lines and the Range line between Ranges 57E and 58 E; thence northerly along said range line to the northeast corner Township 23N Range 57E; thence westerly along the north boundary Township 23N Ranges 57, 56, 55, east to an intersection point with the White Pine-Eureka County line; Thence along said County line to an intersection point with the north boundary Township 25N; Thence along the north boundary Township 25N Ranges 54, 53, 52, east to an intersection with the west line Range 52 east; thence southerly along said range line to the southeast corner Township 23N Range 51E; thence westerly along the south boundary Township 23N Ranges 51,50 east to an intersection with the west line Range 50 east; thence southerly along said range line to the northeast corner Section 24, Township 22N; thence westerly to the northwest corner Section 22, Township 22N; thence southerly to the southwest corner section 34, Township 22N; thence easterly to an intersection point with the west line Range 50 east; thence southerly along the west line Range 50 east to an intersection with the Eureka-Nye County line; thence easterly along said county line to an intersection with the White Pine County line; thence southeasterly along the White Pine-Nye County line to the point of beginning.

District No. 8: Consists of an area bounded as follows:

Beginning at the centerline intersection of Aultman and U.S. 50, 6 & 93; thence westerly along Aultman to an intersection point on the westerly boundary within Section 7, Township 16N Range 63E; thence northerly along the westerly boundary Township 16N Range 63E along section 7 & 6 to the northwest section corner of Section 6, Township 16N Range 63E; thence easterly along the northerly boundary of Township 16N Range 63E along Section 6,5,4, & 3 to an intersection point on the centerline of Lackawanna Road within Section 3; thence southerly along the Centerline of Lackawanna Road to an intersection point with Northern Nevada Railroad track, Keystone Route; thence easterly along the Northern Nevada Railroad track, Keystone Route, to an intersection point on the north-south centerline of Section 10, Township 16N Range 63E; thence southerly along the north-south centerline Section 10, along the easterly Right of Way of Front Street to an intersection point on the centerline of the Northern Nevada Railroad White Pine Museum Spur; thence along said spur to an intersection with the centerline projection of 7th Street; thence southerly along the centerline of 7th Street to the point of beginning.

District No. 9: Consists of an area bounded as follows:

Beginning at the centerline intersection of Ave. F and U.S. 50, 6, & 93; thence easterly along the centerline of Ave. F to an intersection point on the northerly section line of Section 14, Township 16N Range 63E; thence easterly along the northerly section line of Section 14 & 13 to the northeast section corner Section 14, Township 16N Range 63E; thence easterly along the northerly section line of Section 13 to the northeast section corner Section 13, Township 16N Range 63E; thence northerly along the easterly boundary of Township 16N Range 63E along Section 12 & 1 to the northeast section corner Section 1, Township 16N Range 63E; thence westerly along the northerly boundary Township 16N Range 63E along Section 1, 2 & 3 to an intersection point on the centerline of Lackawanna Road within Section 3; thence southerly along the centerline of Lackawanna Road to an intersection point on the centerline of Northern Nevada Railroad track, Keystone Route; thence easterly along the Northern Nevada Railroad track, Keystone Route, to an intersection point on the North-South Centerline of Section 10, Township 16N Range 63E; thence southerly along the North-South Centerline of Section 10, along the easterly Right of Way of Front Street to an intersection point on the centerline of Nevada Northern Railroad track, White Pine Museum Spur, thence along said spur to an intersection with the centerline projection of 7th Street; thence southerly along the centerline of 7th Street to the point of beginning. (10-24-95)

SECTION 3.07 Election of Directors

3.07.1 The members shall elect directors by secret ballot to fill the offices of the directors whose terms of office are expiring. At each annual election of directors the persons entitled to vote are the members of the Cooperative, whose service is located in the Directorate District for which a director is being elected, as of such a date and time to be determined by the Board of Directors in January of each year.

3.07.2 In January of each year, the Board of Directors shall set the date and time that the results of all the votes cast for the election of directors will be announced.

3.07.3 In each Directorate District, directors shall be elected by a plurality vote of the members in their Directorate District. In the event of a tie between two or more directors in a Directorate District, the outcome shall be determined by lot.

3.07.4 If only one (1) qualified nomination is made for a Directorate District, such nominee shall automatically be deemed and declared elected, and balloting shall be dispensed with in respect to that particular Directorate District.

3.07.5 Notwithstanding the provisions of Subsection 2.05.1 of these Bylaws, at an election for directors, every member entitled to vote, as detailed in 3.07.1, shall have the right to cast one (1) vote for any candidate in that Directorate District but may not cast a vote for any candidate(s) in any other Directorate District.

3.07.6 Members may vote by mail-in ballot, or in person at the place(s) designated in the voting instructions. No later than fourteen (14) days after nominations are closed, all members entitled to vote will be mailed, by regular mail an official ballot package. The ballot package shall include an official ballot and voting procedures and instructions. In order for any ballot to be counted, the returned ballot or envelope must contain the signature of the member.

3.07.7 Ballots shall be received at the address on the business reply mail envelope by the time and date specified in the voting instructions, for either hand delivery or mailing, which date shall be determined by the Board of Directors in January of each year. Any hand delivered ballot must be delivered to the address shown in the voting instructions prior to 4:00 P.M. (Nevada Time) on the above date. Ballots received after the specified date or mailed ballots not postmarked on or before the specified date will not be counted.

3.07.8 The Board of Directors shall appoint an Election Committee of not less than three (3) members. The duties of the committee shall be to validate, count and tally the ballots and determine the person(s) elected to the Board of Directors. The election committee shall determine if any ballot is countable pursuant to Bylaw 3.07.6. All decisions of the Election Committee shall be final. The Election Committee shall be assisted by the corporate attorney, who shall announce the official results of the election at such date and time as determined by the Board of Directors pursuant to

Bylaw 3.07.2. The Ballots for each annual election of directors shall be maintained at the cooperative's office for a period of one year, after the date of the announcement of election results, after which time the ballots shall be destroyed.

SECTION 3.08 Directors' Compensation, Expenses

3.08.1 Directors shall, as determined by resolution of the Board of Directors, receive, on a per diem basis, a reasonable fixed fee, which may include insurance benefits or a payment in lieu thereof, for attending meetings of the Board of Directors or for otherwise performing their duties. The fee or fees fixed for performing their duties need not be the same as the fee fixed for attending meetings of the Board of Directors. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties.

3.08.2 No director shall receive employment compensation for serving the Cooperative, nor shall any close relative of a director be employed by the Cooperative, unless the employment of such relative or the employment of such director is temporary and shall be specifically authorized by a vote of the Board of Directors.

3.08.3 An exception to the provisions of 3.08.2 is, that a director who is also an officer of the Board of Directors and who as such officer performs regular or periodic duties for the Cooperative in its affairs may be compensated in such amount as shall be fixed and authorized by the unanimous vote of the remaining directors.

3.08.4 An employee shall not lose eligibility to continue in the employment of the Cooperative if he or she becomes a close relative of a director because of a marriage or adoption to which he or she was not a party.

3.08.5 No director may, during his/her incumbency or within three (3) years after ceasing to be a director, become an employee of the Cooperative.

SECTION 3.09 Removal of Directors by Members

3.09.1 Any one (1) or more members may bring one (1) or more charges against the director from their Directorate District, alleging with particularity violations of one (1) or more of the qualification requirements of Section 3.03 (a) through (g), or alleging with particularity matters which if true could support a determination that: (a) the Director is guilty of misfeasance, nonfeasance, malfeasance; or, (b) guilty of a crime in the conduct of their directorships. Such member(s) may request the removal of such director by reason thereof by filing with the Cooperative such charge(s) in writing; together with a petition, signed by not less than ten percent (10%) of the persons who are then members of the Cooperative from that Directorate District. The petition may call for a special election by the members of the Cooperative in that Directorate District, for the removal of the director.

The special election shall be held not sooner than seventy-five (75) days after verification that the petition meets the requirements of this section.

3.09.2 Each page of the petition shall, in the forepart thereof, state: (a) the name(s) and address(es) of the member(s) filing such charge(s); (b) a verbatim statement of such charge(s); (c) the name of the director against whom such charge(s) is being made; and, (d) whether or not a hearing before a meeting of the members is requested. The petition shall be signed by each member in the same name as the member is billed by the Cooperative and shall state the member's address as the same appears on such billings; and, such member shall set forth and affirm or give oath to the date of his/her signing, which shall not be later than ninety (90) days after the earliest date of any signature.

3.09.3 A copy of the petition(s) shall be immediately delivered to the director who has been charged in the petition.

3.09.4 The charged director shall have ten (10) days from the date of receipt of the petition(s) from the Cooperative to advise the Cooperative, in writing, if the director desires to have a hearing before a meeting of the members.

3.09.5 If either the members charging the director in their petition(s), or the charged director, make a written request for a hearing, the Board of Directors shall act within

thirty (30) days from the date of receipt of the written request to notice a special meeting of the members for such purpose. The meeting shall be held not less than fifteen (15) days and not more than forty (40) days from the date of the notice.

3.09.6 At the hearing, the member(s) bringing the charge(s) and the director charged, shall have an opportunity to be heard in person, present witnesses and be represented by counsel.

3.09.7 Whether or not a hearing has been held, the question of removal of the charged director shall be determined by a written ballot pursuant to Section 8.12; and, the Board of Directors shall arrange for the same to occur within thirty (30) days following the hearing.

3.09.8 A majority of the total membership within the Directorate District must vote in favor of removal of a director in order for the director to be removed from office.

3.09.9 Any vacancy created by removal of a director shall be filled by the Board of Directors pursuant to Section 3.10.

SECTION 3.10 Vacancies

3.10.1 A vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A director appointed by the Board of Directors to fill a vacancy shall be a member of the same Directorate District as the replaced director and shall meet the qualifications set forth in section 3.03.1. In the event there is no qualified applicant from the Directorate District for the vacancy, the Board of Directors may appoint an at-large member to serve the unexpired term of the director whose office was originally vacated. The appointed director shall serve out the unexpired term of the director whose office was originally vacated, and shall serve until his/her successor is elected and qualified. In the event there are nine (9) months or less remaining on the term of the vacancy, the Board of Directors shall have the option of not appointing a director to fill the position and wait for the election to fill the position.

ARTICLE IV-Meetings of Board of Directors

SECTION 4.01 Regular Meetings

4.01.1 Prior to the end of December of each year, the Board of Directors shall set the dates and times of the regular meetings of the Board of Directors for the ensuing calendar year.

SECTION 4.02 Special Meetings

4.02.1 A special meeting of the Board of Directors may be called by the Board of Directors, by the President or by any three (3) directors. The Board of Directors, the President, or the three (3) directors calling the meeting shall fix the date and time of the meeting.

SECTION 4.03 Place of Meetings

4.03.1 Except for any Board of Directors meeting held at the place of an annual meeting, regular meetings, special meetings and emergency meetings shall be held at the office of the Cooperative at Ely, Nevada; unless, it is determined by a consensus that a meeting is to be held outside of the Cooperative offices. A consensus shall be determined upon the written or oral consent of a majority of the total Board of Directors, prior to the time notice of the meeting is given. The minutes of a meeting held at a location where such consent is required shall reflect the names of the directors giving their consent.

SECTION 4.04 Notice of Directors Meetings

4.04.1 Notice of regular and special meetings, other than emergency meetings, shall be in writing and shall contain the following information:

- (a) The time, place and location of the meeting.
- (b) An agenda consisting of:
 - (1) A clear and complete statement of the topics scheduled to be considered during the meeting.
 - (2) A list and description of the items to be voted on during the meeting, which must be clearly denoted as items on which action will be taken.

- (c) Such information as may be required by the Bylaws of the Cooperative.

4.04.2 As the first order of business after a quorum has been established at each meeting of the Board of Directors, the Board of Directors will adopt, amend or supplement the agenda, but the same may be further amended, supplemented or foregone at any time during the meeting, if the Board of Directors resolve that the best interests of the Cooperative so require. The vote required to amend the agenda shall be a two-thirds (2/3) vote of the Directors.

SECTION 4.05 Service, Posting and Publication of Notice of Meetings

4.05.1 Notice of regular and special meetings, other than emergency meetings, including the agendas, shall be given not less than three (3) working days prior to the meeting, by or at the direction of the Secretary, or upon a default to do so by the Secretary, by or at the direction of the President or the directors calling the meeting, as hereinafter set out.

- (a) A copy shall be delivered to each director.
- (b) A copy of the notice shall be delivered to any person who has requested in writing, to be given notice of the meetings of the Board of Directors, in the same manner in which notice is required to be delivered to a member of the Board of Directors. The written request for notice shall lapse six (6) months after it is made. The Cooperative shall inform the requester of this fact by enclosure with or notation upon the first notice sent. Failure to mail this Notice provided for in this paragraph (b) shall not invalidate any action taken at a duly called meeting of the Board of Directors.
- (c) A copy of the Notice shall be posted at the principal office of the Cooperative, or at the building in which the Board of Directors' meeting is to be held, and at least three (3) other separate, prominent places within the service area of the Cooperative, the places to be designated by the Board of Directors.
- (d) If Notice is mailed such Notice shall be deemed to be delivered when deposited in the United States mail addressed to the person to receive the Notice at the address as it appears on the records of the Cooperative, with postage thereon prepaid.

SECTION 4.06 Emergency Meetings

4.06.1 In the event of an emergency, a special meeting may be called and held pursuant to the following:

- (a) The meeting may be called by the persons named in 4.02.1.
- (b) Notice need not be given as required by 4.04 and 4.05; however, good faith efforts will be used to communicate the date, time, place and agenda of the meeting by:
 - (1) Notifying every member of the Board of Directors in adequate time to permit a member of the Board of Directors to attend the meeting in person or by telephone; and
 - (2) Notifying the members by radio or other media.
- (c) Following the meeting there shall be published a notice that a Board of Directors meeting has been held, the subject matter of the meeting, and actions of the Board of Directors taken at the meeting.

4.06.2 As used in this section "emergency" means any unforeseen circumstance which requires immediate action and includes but is not limited to:

- (a) Any matter, which if not acted upon would affect the physical or financial integrity of the system;
- (b) Any disaster caused by vandalism, fire, flood, earthquake or other natural cause;
- (c) Any matter which in the majority opinion of the directors requires immediate action.

SECTION 4.07 Meetings Open to Members and the Public

4.07.1 All meetings of the Board of Directors shall be open to the public and all members unless specifically excepted under Subsection 4.11. Time shall be made available for any member to address the Board of Directors at any of its meetings.

The Board of Directors may remove or have removed any person or persons that disrupts a Board of Director's meeting to the extent that its orderly conduct is made impractical.

SECTION 4.08 Attendance at Meetings by Telephone or Similar Communication Method

4.08.1 Provided there are members of the Board of Directors present at the time and place for which a Board of Directors meeting is to be held; and, any members present can hear the proceedings, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or committee by means of a conference telephone network or a similar communications method, by which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section constitutes presence in person at such meeting.

SECTION 4.09 Quorum

4.09.1 The presence in person or by telephone conference call of a majority of the directors in office shall be required for the transaction of business and the affirmative vote(s) of a majority of the directors present or by telephone conference call shall be required for any action to be taken; provided, a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or directors present. A director may not vote by proxy.

SECTION 4.10 Canceled Meetings

4.10.1 A regular or special Board of Directors meeting may be canceled as follows:

- (a) By a majority vote of the directors or five (5) votes of the directors present, or
- (b) By polling all the directors, that can be contacted prior to the meeting, and obtaining the oral or written consent of at least five (5) directors to cancel the meeting.

4.10.2 If it becomes necessary to cancel a Board of Directors meeting, the Cooperative shall post notice of cancellation and the reason therefore in its outer offices, available for reading by any member, and shall publish notice as promptly as possible prior to the date of the canceled meeting, or if the time of the cancellation makes publishing and/or posting impracticable or impossible, the information shall be broadcast in the service area by radio or other media.

SECTION 4.11 Confidential Matters

4.11.1 The Board of Directors may consider and act upon matters in a meeting closed to such persons as the Board of Directors so determines whenever, as resolved by a majority of the directors present, it determines that such is required in the best interests of the Cooperative or its members. The Board of Directors may close a meeting upon a motion which specifies the general nature of the matters to be considered. Such matters include but are not limited to the following:

- (a) To consider the:
 - (1) Character;
 - (2) Alleged misconduct;
 - (3) Professional competence;
 - (4) Physical or mental health;
 - (5) Financial condition or any matters related to billings or finances;
- (b) Payment or settlement of any claims; of an employee, officer, director, consultant, member or other person or entity.
- (c) To discuss Cooperative matters with the Cooperative's attorney(s), accountant(s), or other consultant(s).

ARTICLE V Officers

SECTION 5.01 Number and Title

5.01.1 The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

SECTION 5.02 Election and Term of Office

5.02.1 The officers named in Section 5.01 shall be elected annually by secret written ballot, without prior nomination, from members of the Board of Directors at the May meeting of the Board of Directors. If the election of such officers is not held at such meeting, it shall be held at the next regular meeting of the Board of Directors. Each officer shall hold office until the May meeting of the Board of Directors or until their successor(s) have been duly elected and have qualified. All officers are subject to the provisions of the Bylaw with respect to the removal of officers by the Board of Directors. Any other officers may be elected by the Board of Directors and assigned such title, tenure, responsibilities and authorities as the Board of Directors shall determine.

SECTION 5.03 Removal

5.03.1 Any officer, agent, consultant, or employee elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will thereby be served, subject to the provisions of any employment contract.

SECTION 5.04 Vacancies

5.04.1 A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board of Directors.

SECTION 5.05 President

5.05.1 The President is also the Chairman of the Board of Directors, and shall:

- (a) Be the principal executive officer of the Board of Directors and shall preside at all meetings of the Board of Directors and, unless determined otherwise by the Board of Directors, at all meetings of the members;
- (b) Sign deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) In general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors.

SECTION 5.06 Vice President

5.06.1 In the absence of the President the Vice President shall perform the duties of the President, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President; and, shall perform such other duties as may be assigned to him/her by the Board of Directors.

SECTION 5.07 Secretary

5.07.1 The Secretary shall:

- (a) Keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors;
- (b) See that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative, or a facsimile thereof when so allowed, is affixed to all documents the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law;
- (d) Keep, or cause to be kept, a register of the name and the mailing address of each member as furnished to the Cooperative by such member;
- (e) Have general charge of the books of the Cooperative in which a record of the Cooperative's members is kept;
- (f) Keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and Bylaws, together with all amendments thereto, which copies shall be open to inspection by any member; and, upon the request of a member, furnish a copy of such document(s) and

of all amendments thereto to the member at the expense of the Cooperative; and

- (g) Perform all duties incident to the office of the Secretary and such other duties as may be assigned to him/her by the Board of Directors.
- (h) In the absence of the President and Vice-President from any meeting of the Board of Directors, call the meeting to order and preside over the meeting until the Board of Directors elects a chairman protem to preside over the meeting.
- (i) In the absence of the Secretary the Board of Directors shall appoint a director, with the consent of the director, to perform the duties of Secretary, and, when so acting, such director shall have all the powers of and be subject to all the restrictions set forth in this Section 5.07.1 for the Secretary.

SECTION 5.08 Treasurer

5.08.1 The Treasurer shall:

- (a) Have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) Receive and give receipts for monies due and payable to the Cooperative from any source, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and
- (c) Perform all the duties incident to the office of Treasurer and such other duties as may be assigned to him/her by the Board of Directors.
- (d) In the absence of the Treasurer the Board of Directors shall appoint a director, with the consent of the director, to perform the duties of Treasurer, and, when so acting, such director shall have all the powers of and be subject to all the restrictions set forth in this Section 5.08.1 for the Treasurer.

SECTION 5.09 Delegation of Secretary's and Treasurer's Responsibilities

5.09.1 Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 5.07 and 5.08, the Board of Directors may by resolution, except as otherwise limited by law, delegate, wholly or in part, the duties and/or responsibilities of the Secretary and/or the Treasurer, one or more agents, other officers or employees of the Cooperative. To the extent the Board of Directors does so delegates the duties and/or responsibilities of the Secretary and/ or Treasurer, that officer shall be released from the duties and responsibilities so delegated.

SECTION 5.10 Chief Executive Officer

5.10.1 The Board of Directors shall appoint a Chief Executive Officer (CEO), who may be but who shall not be required to be a member of the Cooperative. The CEO shall perform such duties as the Board of Directors requires and shall have such authority as the Board of Directors vests in him/her. The CEO's duties and authorities shall be fully set forth in a written position description approved by the Board of Directors. The term Chief Executive Officer shall be synonymous with "General Manager" for the purposes of the Cooperative's business.

SECTION 5.11 Bonds

5.11.1 The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to be bonded in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine. The costs of all such bonding shall be borne by the Cooperative.

ARTICLE VI Financial Transactions

SECTION 6.01 Contracts

6.01.1 Except as otherwise provided by law or these Bylaws, the Board of Directors

may authorize any Cooperative officer(s), agent(s) or employee(s) to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative and such authority may be general or confined to specific instances.

SECTION 6.02 Checks, Drafts, Etc

6.02.1 All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness, issued in the name of the Cooperative, shall be signed or countersigned by such officer(s), agent(s) or employee(s) of the Cooperative as determined by resolution of the Board of Directors.

SECTION 6.03 Deposits, Investments

6.03.1 All funds received by the Cooperative, except petty cash funds, shall be deposited or invested by the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

ARTICLE VII Non-Liability of Members

SECTION 7.01 Non-Liability for Debts of the Cooperative

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

ARTICLE VIII Miscellaneous

SECTION 8.01 Offices

8.01.1 The principal office of the Cooperative in the State of Nevada shall be located at 1600 Great Basin Boulevard, Ely, Nevada. The Cooperative may have such other offices, as the Board of Directors may designate, or as the business of the Cooperative may require.

8.01.2 The address of the registered agent of the Cooperative required to be maintained by the Secretary of State of Nevada or the State of Utah, may be changed by the Board of Directors.

SECTION 8.02 Seal

8.02.1 The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon: "Mt. Wheeler Power, Inc. 1963, Nevada."

SECTION 8.03 Membership in other Organizations

8.03.1 The Cooperative may, upon the authorization of the Board of Directors, purchase stock in or become a member of any entity or organization when determined to be in the best interests of the Cooperative.

SECTION 8.04 Rules of Order

8.04.1 Parliamentary procedure at all meetings of the members, of the Board of Directors, or any committee of the members or Board of Directors shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws. This Section shall be subordinate to any other provision of these Bylaws pertaining to the votes required for action by members, the Board of Directors or any committee of the Board of Directors or members.

SECTION 8.05 Fiscal Year

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

SECTION 8.06 "Close Relative" Defined

8.06.1 As used in these Bylaws "close relative" shall be defined under civil law and shall include: Step, half or adoptive kin to the second degree; or, to the third degree of consanguinity; or, to the second degree of affinity; or, a co-habitant of the same household in any of the above relationships.

SECTION 8.07 Accounting System, Audits and Reports

8.07.1 The Board of Directors shall cause to be established and maintained a complete accounting of the Cooperative's financial operations and condition, subject to and not inconsistent with applicable laws and rules and regulations of any regulatory body. The Board of Directors shall also, after the close of each fiscal year, cause to be made by independent auditors who are certified public accountants, an independent audit of the accounts, books and records reflecting the financial operations during, and financial condition of the Cooperative as of the end of, such fiscal year. A copy of the annual audit report summary shall be provided and made available to the members as soon after their completion as practicable, and shall be provided to members, upon their request, without charge. The Board of Directors may authorize special, complete or partial, audits at any time and for any specified period of time.

SECTION 8.08 Waiver of Notice

8.08.1 Any director or member may waive, in writing, any notice of meetings required to be given by these Bylaws or otherwise required, either before or after such notice is required. The attendance of a director or member at any meeting shall constitute a waiver of notice of such meeting, except in the case where the director or member attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened. Any director or member attending any meeting for the purpose of making such objection shall notify the Secretary in writing prior to or at the beginning of the meeting, of their objection.

SECTION 8.09 Membership Certificates

8.09.1 Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors. In case a certificate is lost, destroyed or mutilated a new certificate may be issued upon such uniform terms as the Board of Directors may prescribe.

SECTION 8.10 Address of Members

8.10.1 It shall be the duty of every member or former member (both herein referred to as "member") and the heirs, executors, administrators, successors and assigns of every member, to give the Cooperative notice and keep it informed of any change of address, while a member, and as long as the member has capital credits that have not been repaid. In the event that the Cooperative, through its Board of Directors, determines to retire any portion of the member or former member's capital credits, payment checks shall be mailed, or notice of such determination shall be mailed to those members entitled to receive payment, which notice shall be mailed to the last address given by the member to the Cooperative.

SECTION 8.11 Indemnification of Directors, Officers, Employees and Agents

8.11.1 The Cooperative may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the Cooperative. Such indemnity shall apply to any person who is or was a director, officer, employee or agent of the Cooperative, or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another Cooperative or entity. Indemnification shall be for all expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the action, suit or proceeding. Such person must have acted in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Cooperative. With respect to any criminal action or proceeding such person must not have had any reasonable cause to believe their conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that such person did not act in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Cooperative, and that, with respect to any criminal action or proceeding, they had reasonable cause to believe that their conduct was unlawful.

8.11.2 The Cooperative may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Cooperative to procure a judgment in its favor by reason of the fact

that he/she is or was a director, officer, employee or agent of the Cooperative, or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another Cooperative or entity. Such indemnification shall include all expenses, including amounts paid in settlement and attorneys' fees actually and reasonably incurred by said person in connection with the defense or settlement of the action or suit if they acted in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Cooperative. Indemnification may not be made for any claim, issue or matters as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom to be liable to the Cooperative or for amounts paid in settlement to the Cooperative, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expense as the court deems proper.

8.11.3 To the extent that a director, officer, employee or agent of a Cooperative has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Subsections 8.11.1 and 8.11.2, or in defense of any claim, issue or matter therein, they shall be indemnified by the Cooperative against expenses, including attorneys' fees, actually and reasonably incurred by them in connection with the defense.

8.11.4 Any indemnification under Subsections 8.11.1 and 8.11.2, unless ordered by a court or advanced pursuant to Subsection 8.11.3, must be made by the Cooperative only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made:

- (a) By the members; or
- (b) By a majority vote of a quorum of the directors who were not parties to the act, suit or proceeding; or
- (c) If a majority vote of a quorum of directors who were not parties to the act, suit or proceeding so orders, by independent legal counsel in a written opinion; or
- (d) If a quorum of directors who were not parties to the act, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

8.11.5 The expenses incurred in defending a civil or criminal action, suit or proceeding must be paid by the Cooperative as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of such person whereby they agree to repay the amount if it is ultimately determined by a court of competent jurisdiction that they are not entitled to be indemnified by the Cooperative. The provisions of this Section do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

8.11.6 The indemnification and advancement of expenses authorized in or ordered by a court pursuant to this section:

- (a) Does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under agreement, vote of members or disinterested directors or otherwise, for either an action in his/her official capacity or an action in another capacity while holding his/her office. Except indemnification, unless ordered by a court pursuant to Subsection 8.11.2 or for the advancement of expenses made pursuant to Subsection 8.11.5, may not be made to or on behalf of any director or officer if a final adjudication establishes that their acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action;
- (b) Continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

8.11.7 Notwithstanding the provisions of Subsections 8.11.1 through 8.11.6 inclusive, the Cooperative shall not be required to advance or pay any sums for which

there is adequate insurance coverage provided by the Cooperative. Only such sums required for expenses, settlement, attorneys' fees and costs in the defense of the matter that exceed sums paid or payable from insurance sources shall be payable by the Cooperative. Any recovery of costs, expenses and attorney fees in the defense of a matter shall accrue to the benefit of the Cooperative, up to and including all sums paid by the Cooperative.

SECTION 8.12 Action of Members by Written Ballot

8.12.1 Any action that the Bylaws provide to be taken by the members by written ballot, and any action that may be taken at a regular or special meeting of members, may be taken without a meeting if the Cooperative mails or delivers a written ballot to every member entitled to vote on the matter.

8.12.2 A written ballot must:

- (a) Set forth each proposed action; and
- (b) Provide an opportunity to vote for or against such proposed action.

8.12.3 Regarding any action wherein the bylaws provide that it shall be taken by written ballot, the action taken shall require the number of votes as set by statute, the Articles of Incorporation or the Bylaw provisions relating to the matter.

8.12.4 Matters voted upon by written ballot, at a regular or special meeting of the members is valid only when the number of votes cast equals or exceeds the number of members required for a quorum. The number of votes, required for approval, must equal or exceed the number of votes that would be required to approve the matter by voice vote at a meeting.

8.12.5 Solicitations for votes by written ballot must:

- (a) State the number of responses needed to meet the quorum requirements;
- (b) State the percentage of approval necessary to approve each matter; and
- (c) Specify the time by which a ballot must be received by the Cooperative in order to be counted.

8.12.6 Except as otherwise provided in the Articles of Incorporation or Bylaws, a written ballot may not be revoked.

SECTION 8.13 Governing Law

8.13.1 These Bylaws must be governed by, and interpreted under, the laws of the State of Nevada, which are the laws under which the Cooperative is incorporated.

SECTION 8.14 Titles and Headings

8.14.1 All titles and headings of Bylaw articles, sections, and sub-sections are for convenience and reference only, and do not affect the interpretation of any Bylaw article, sections, or subsection.

SECTION 8.15 Partial Invalidity

8.15.1 When reasonably possible, every Bylaw article, section, sub-section, paragraph, sentence, clause, or provision (collectively, "Bylaw Provision") must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of any Bylaw Provision by any entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the Cooperative and members, does not invalidate any remaining Bylaw Provisions.

SECTION 8.16 Cumulative Remedies

8.16.1 The rights and remedies provided in these Bylaws are cumulative. The Cooperative or any member asserting any right or remedy provided in these Bylaws does not preclude the Cooperative or member from asserting other rights or remedies provided in these Bylaws.

SECTION 8.17 Entire Agreement

8.17.1 Between the Cooperative and any member, the Governing Documents:

- (a) Constitute the entire agreement; and

- (b) Supersede and replace any prior or contemporaneous oral or written communication or representation.

SECTION 8.18 Successors and Assigns

8.18.1 To the extent allowed by law

- (a) The duties, obligations, and liabilities imposed upon the Cooperative or any member by these Bylaws are binding upon the successors and assigns of the Cooperative or member; and
- (b) The rights granted to the Cooperative by these Bylaws inure to the benefit of the Cooperative's successors and assigns.

The binding nature of the duties, obligations, and liabilities imposed by these Bylaws upon the successors and assigns of the Cooperative and any member does not relieve the Cooperative or member of the duties, obligations, and liabilities imposed by these Bylaws upon the Cooperative or member.

SECTION 8.19 Waiver

8.19.1 The failure of the Cooperative to assert any right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

ARTICLE IX Disposition and Pledging of Property

SECTION 9.01 Disposition and Pledging of Assets

9.01.1 Consistent with Section 81.505 of the Nevada Revised Statutes and with subsection 9.01.2 hereof, the Cooperative may authorize the sale, lease as lessor, lease-sale, exchange, conveyance, transfer or other disposition of all or a substantial portion of its assets upon the affirmative votes of not less than three-fourths (3/4) of the directors, assented to by two-thirds (2/3) of the Cooperative's members.

"Substantial portion" means twenty-five percent (25%) or more of the total book value of all the Cooperative's assets as reflected on its books at the time of the transaction.

The Board of Directors may, without authorization of its members, give a mortgage, deed of trust or other pledge or encumbrance of its assets to secure any Cooperative indebtedness. The Board of Directors may also, without authorization of the members, dispose of assets no longer necessary or useful for the operation of the Cooperative so long as it is less than a substantial portion of the Cooperative's properties.

Assets authorized for disposition by the Board of Directors, where such disposition is in the nature of a forced sale for the reason that the acquirer possesses and would otherwise exercise the legal power to acquire, damage, relocate or destroy such assets by condemnation or otherwise without the Cooperative's consent, shall constitute assets no longer necessary or useful for the operation of the Cooperative.

9.01.2 In addition to the provisions of 9.01.1, any other applicable provisions of law or of these Bylaws, no sale, lease as lessor, lease-sale, exchange, conveyance, transfer or other disposition of all or a substantial portion of the Cooperative's assets ("transaction") shall be authorized except in conformity with the following:

- (a) The Board of Directors shall appoint three appraisers, each of whom or which is independent of the Cooperative and of each other who are considered experts in the valuation of electric assets. The Board of Directors shall commission the appraisers, separately, to study, appraise, evaluate and otherwise determine the fair market value of such assets, including their value as part of a viable business and any value associated with the right of the members to participate in the ownership and control of the Cooperative. Such persons shall be instructed to and shall, take into account any other factors they may deem relevant in determining the intrinsic value of such assets. No later than sixty (60) days after their appointment and commission, each appraiser shall provide to the Board of Directors their determination of fair market value. The Board of Directors shall not recommend and submit to a vote of the members any transaction for a consideration that is less than the highest fair market value provided by the appraisers. No transaction shall be considered by the Board of Directors more than one (1) year after receipt of the appraisers' reports, without first complying with the

foregoing requirements and obtaining updated appraisals.

- (b) If, after receiving such appraisals, the Board of Directors resolves to pursue the matter further, it shall, within sixty (60) days after such resolution, transmit the appraisals, together with any underlying data and information that may have accompanied them to every other electric Cooperative operating in Nevada or Utah and invite them to submit competing or alternative proposals, including proposals to consolidate with the Cooperative. Such other Cooperatives shall be given at least sixty (60) days within which to submit competing or alternative proposals, and they shall be notified in such transmittal of the actual final date for such submissions.
- (c) If, after expiration of the final date for submissions set forth in above, the Board of Directors determines that favorable consideration should be given to the initial or any subsequent proposed transaction which has been submitted to or developed by it, it shall call and/or give notice of a meeting of the members to vote on such transaction. The members shall be notified that the transaction will be considered and acted upon at the member's meeting. Such notice shall contain or be accompanied by the Board of Directors' recommended transaction and verbatim copies of all competing or alternative transactions the Cooperative has received, together with all of the valuations. The special or annual meeting of the members shall be held not less than ninety (90) days after the giving of the notice thereof.
- (d) Any two hundred (200) or more members of the Cooperative may, not less than forty-five (45) days prior to the date of such member meeting, present a written petition bearing their signatures and requesting that the Cooperative mail, to all members of the Cooperative entitled to vote, any statement of opposition to the Board of Directors' recommendation and/or their own recommendation that a competing or alternative proposal, which may include a proposal to consolidate the Cooperative with one or more other electric cooperatives. The Board of Directors shall cause a printed copy of the petition, including the printing of the names of the member signatories thereon, together with a printed copy of the statement, to be transmitted to all of the Cooperative's members via the United States Mail, with first-class postage thereon prepaid, not less than twenty-five (25) days prior to such member meeting. The cost of such printing and mailing shall be borne by the Cooperative. When so mailed, such petition and statement shall constitute sufficient notice of any such competing or alternative transaction for the same to be considered and acted upon at the member meeting.

The provisions of this Section 9.01.2 shall not apply to a proposed merger or consolidation of the Cooperative with one or more other electric cooperatives or a transaction having essentially the effect of a merger or consolidation.

9.01.3 No offer shall be valid or, if made and accepted, enforceable unless the total consideration to be paid or otherwise furnished shall be distributed, allocated or assigned in the manner as provided in the Articles of Incorporation and Bylaws. Provided, however, such distribution allocation or assignment shall only be of proceeds paid or received in excess of the Cooperative's obligations and liabilities, including capital credits.

ARTICLE X Non-Profit Operation

SECTION 10.01 Interest or Dividends on Capital Prohibited

10.01.1 The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

SECTION 10.02 Patronage Capital in Connection with Furnishing Electric Energy

10.02.1 In the furnishing of electric energy the Cooperative's operations shall be so

conducted that all members will, through their membership, furnish capital for the Cooperative (herein referred to as membership capital). In order to assure that the Cooperative will operate on a non-profit basis, the Cooperative shall account to all its members for all monies received and receivable from the furnishing of electric energy in excess of operating costs and expenses as determined by the Board of Directors.

The amounts of contributions to capital may be established in contracts between the member and the Cooperative. All such amounts in the excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay by credits to a capital account for each contributing member all such amounts in excess of operating costs and expenses.

The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the member's capital account. The Cooperative shall, within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to the member's account.

Individual notices of the amounts furnished by each member shall not be required if the Cooperative notifies all members of the aggregate amount of such excess and provides a clear explanation of how each member may compute and determine the specific amount of capital so credited to the member.

10.02.2 All other amounts received in excess of costs and expenses by the Cooperative other than from and directly related to the furnishing of electric energy and other services may, insofar as permitted by law:

- (a) First be used to offset any losses incurred during the current or any prior fiscal year, as may be determined in Section 10.05.1;
- (b) Second be used to establish reserves and other capital not assignable to the members prior to the dissolution of the Cooperative; and,
- (c) The balance allocated to the members as a part of the capital credited to the accounts of such members.

10.02.3 In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a prorata basis before any payments are made in distribution of assets. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part.

As to capital furnished on or after January 1, 1983 the Board of Directors shall determine the method, basis, priority and order of making such retirements, if any, for all amounts heretofore and hereafter furnished as capital.

The Board of Directors shall have the power to adopt rules providing for the separate retirement of capital credited to the account of the Cooperative by an organization supplying electric power and energy, financing or any other services to the Cooperative. Such rules shall:

- (a) establish a method for determining the portion of such capital credited to each member for each applicable fiscal year;
- (b) provide for separate identification for each applicable fiscal year of the capital credited to each member's capital account; and,
- (c) provide for appropriate notification to each member with respect to the amount of capital credited to their account(s).

10.02.4 Capital credited to the account of each member shall be assignable only on the books of the Cooperative pursuant to written instructions from the member (assignor), unless the Board of Directors, acting under policies of general application, determines otherwise. However, members shall be freely permitted to assign their capital credits to the Cooperative as a donation.

10.02.5 Notwithstanding any other provisions of these Bylaws, the Board of Directors, in its sole discretion, shall have the power at any time after the death of any member

who was a natural person, upon the written request of the legal representative(s) of the member's estate, to retire capital credited to such member upon such terms and conditions as the Board of Directors and the legal representatives of such member's estate agree, provided:

- (a) That the financial condition of the Cooperative will not be impaired thereby; and
- (b) The aggregate discounted amounts that may be so retired in any one (1) calendar year shall be set by the Board of Directors in Mt. Wheeler Policy 7.2

10.02.6 The Cooperative, before retiring any capital credited to any member's account, shall deduct therefrom any amount owing by such member to the Cooperative, together with interest thereon at the Nevada legal rate on judgments in effect when such amount became overdue, compounded annually. The Cooperative shall have a lien on such capital for the total amount due from the member.

10.02.7 The members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this Section of the Bylaws shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

SECTION 10.03 Refunds in Connection with Furnishing other Services

10.03.1 In the event the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable thereto shall, insofar as permitted by law, be prorated annually on a membership basis as set forth in Section 10.02.1.

SECTION 10.04 Payment of Capital Credits and Unclaimed Capital Credits

10.04.1 No later than six (6) months after any portion of the capital credits of a member is determined to be retired by the Board of Directors (the "date of retirement"), the Cooperative shall mail either the check in retirement of said capital credits or a notice that the capital credits are available for distribution to the last known address given by the member as it appears in the records of the Cooperative (the notice").

10.04.2 In regard to retirement of capital credits in the State of Nevada, any capital credits that remain unclaimed for one year, after the date of retirement, shall revert to the Cooperative subject to the following conditions:

- (a) Not more than six months after the date of retirement, the Cooperative shall mail the notice.
- (b) The member fails to respond to the notice within thirty days after receipt of the notice. Receipt shall be deemed effected at the end of the third business day after the date of mailing. (The date of mailing is not included in the three business days.)
- (c) The notice shall be sent via first class mail to the member at the members last known address as it appears in the records of the Cooperative.

10.04.3 In the State of Utah, the Cooperative shall retain capital credits given to its members that remain unclaimed for a period of three years after the end of the year in which the credit is given. The Cooperative shall use the retained capital credit to (a) pay all or a portion of a low-income individual's utility bills; (b) provide scholarships to graduating high school seniors in the area where the Cooperative provides services in the state of Utah; (c) provide financial assistance to, in the area where the Cooperative provides services in the state of Utah, to: (i) a school; (ii) a non-profit organization or (iii) a community organization. The Cooperative shall establish criteria for recipients of the financial assistance described in this section that are based on: (a) a recipient's financial or other needs; and (b) the recipient community's interests.

SECTION 10.05 Losses

10.05.1 In the event the costs and expenses exceed the amounts received and

receivable by the Cooperative, hereinafter referred to as "loss", then the Board of Directors shall have the authority under accepted accounting practices and applicable tax law to prescribe the manner in which such loss shall be handled.

ARTICLE XI Electric Service

SECTION 11.01 Purchase of Electric Power and Energy, Application of Payments to All Accounts

11.01.1 The Cooperative shall use reasonable diligence to furnish its members with an adequate and dependable electric service; however the Cooperative cannot and does not guarantee a continuous and uninterrupted supply of electrical service.

Each member, for so long as such premises are owned, leased as lessor or lessee, or directly occupied or used by the member, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service is furnished by the Cooperative to the member, unless and except to the extent the Cooperative may in writing waive such requirement.

Each member shall pay for all electric power and energy used or received by the member in accordance with the rules, regulations, rate classifications, rate schedules or contracts (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) approved by the Board of Directors.

11.01.2 Each member shall also pay all other amounts owed by the member to the Cooperative as and when they become due and payable. Payments made by a member, who has more than one (1) service connection from the Cooperative, shall be deemed to be allocated and credited on a prorata basis to the member's outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

11.01.3 The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures.

11.01.4 The Cooperative will not be liable or responsible for any loss(es) or damage(s), incurred by a member, caused by an electrical power outage or an interruption in electrical service resulting from any cause, unless the Cooperative is found to have committed gross negligence in regard to such outage or interruption of electrical service.

SECTION 11.02 Wiring of Premises, Responsibility Therefore, Indemnification

11.02.1 Each member shall cause all premises receiving electric service pursuant to their membership to become and to remain wired in accordance with the specifications of the latest edition of the National Electric Code, of any applicable state code or local government ordinance and of the Cooperative. If the foregoing specifications are variant, the more exacting standards shall prevail.

11.02.2 Each member shall also provide such protective devices to their premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities.

11.02.3 Each member shall be responsible for, and shall indemnify and hold harmless the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage and costs, including reasonable attorney's fees, resulting from any defect on or improper use or maintenance of, such premises and all wiring and apparatuses connected thereto or used thereon. In no event shall the responsibility of the Cooperative extend beyond the point of delivery.

SECTION 11.03 Change of Equipment

11.03.1 The materials and equipment installed to provide service at any given location are engineered by the Cooperative and sized to suit the estimated needs of the member. For this reason, it shall be the responsibility of the member to notify the Cooperative, in writing, before any change is made in the load characteristics or

change of purpose or of location of the member's installation.

SECTION 11.04 Location of Cooperative Facilities, Meter Tampering or Bypassing, Damage to Cooperative Facilities, Indemnification

11.04.1 Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have free and safe access thereto for meter reading and bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times. As part of the consideration for such service each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation or causing damage to such facilities; and, shall use their best efforts to prevent others from so doing.

11.04.2 In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify and hold harmless the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage and costs, including reasonable attorney's fees, resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment.

SECTION 11.05 Members to Grant Easements

11.05.1 In consideration of the Cooperative providing electric services to a member, the member shall, upon being requested by the Cooperative, execute and deliver to the Cooperative an unencumbered easement or right-of-way over, on and/or under any real property in which the member has an ownership or leasehold interest without the payment of any additional compensation. The easement or right of way shall be conveyed upon such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to the member, or other members, for the construction, re-construction, operation, maintenance or relocation of the Cooperative's electric facilities.

SECTION 11.06 Pole Attachments

11.06.1 The member shall not make any attachments of any type to poles. Safety is the primary reason for this regulation. Since the Cooperative's poles carry high voltage electricity, any material the member may attach to the pole may in some circumstances become energized and become a source of serious injury or death for the member or the public in general. Such unauthorized attached material is also a hazard for the Cooperative's personnel who climb the poles and maintain the lines. All such attachments are specifically prohibited. Any wires, boards, or cardboard posters attached to the poles are particularly dangerous. If the member is notified of a violation of this nature; and, the hazard is not removed promptly, the Cooperative, may discontinue the members service without further notice.

SECTION 11.07 Power Production by Member

11.07.1 Production or use of electric energy by a member, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative's facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

SECTION 11.08 Load Management Programs

11.08.1 Each member shall participate in any required program; and, will comply with related rates and service rules and regulations that may be established by the Cooperative to enhance load management, or more efficiently to utilize or to conserve electric energy, or to conduct load research.

SECTION 11.09 Rate Change

11.09.1 In order for the Board of Directors to implement a rate change, two-thirds (2/3) of the elected directors must agree to the proposed rate change at two (2) consecutive regular board meetings prior to implementation. However, the Board of Directors may,

by the same vote and procedure, adopt an automatic rate change whereby the portion of the members' rates based upon power costs may be periodically adjusted, without further action of the Board of Directors. Line extensions, aid to construction and deposits are not considered rates and, are not subject to this Section.

ARTICLE XII Distribution on Dissolution

SECTION 12.01 Distribution of Assets upon Dissolution of Cooperative

12.01.1 Upon the Cooperative's dissolution, the assets of the Cooperative shall be paid and distributed as follows:

- (a) All debts and liabilities of the Cooperative shall be paid;
- (b) All capital furnished by the membership (patronage capital) shall be retired and paid; and
- (c) The remaining property and assets of the Cooperative shall be distributed pursuant to the provisions of Article XVII of the Articles of Incorporation of the Cooperative.

ARTICLE XIII Bylaw Amendments

SECTION 13.01 Authority to Amend

13.01.1 These Bylaws may be altered, amended or repealed by two-thirds (2/3rds) vote of the elected directors at any regular Board of Directors' meeting, or at any special Board of Directors' meeting.

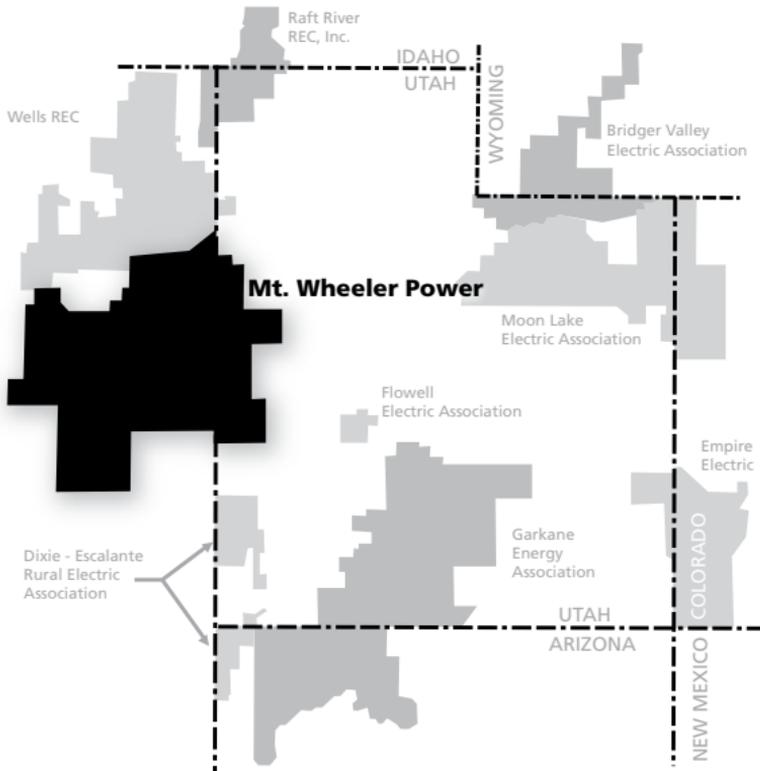
The Bylaws may also be altered, amended or repealed by written consent of a majority of the members pursuant to Nevada Revised Statutes 81.470.

SECTION 13.02 Procedure for Amending

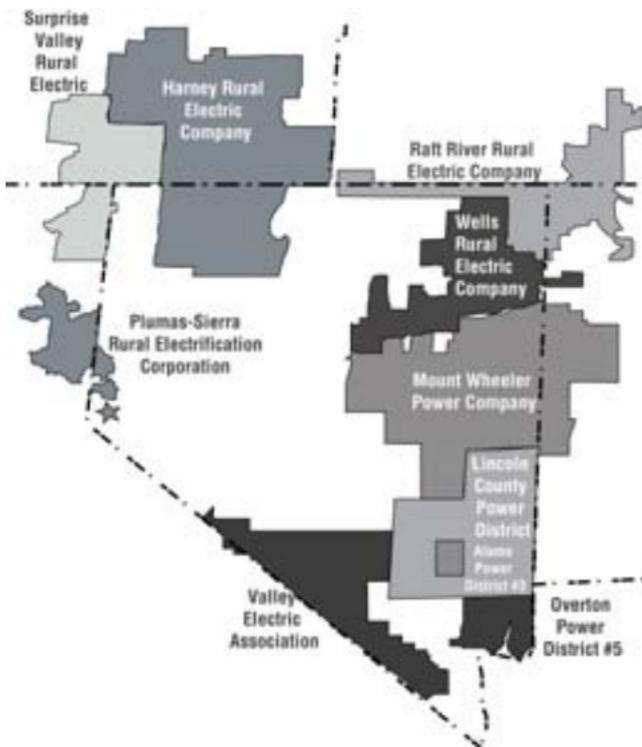
13.02.1 A Bylaw may be altered, amended or repealed only if a copy of the proposed alteration, amendment, or repeal is contained in or with the notice of the Board of Directors' meeting at which the Bylaw is to be acted upon.

If a Bylaw is to be altered, amended or repealed by the written consent of the members, a copy of the proposed alteration, amendment or repeal shall be contained in or with the notice to the members.

Utah Rural Electric Association Member Territories



Nevada Rural Electric Association Member Territories



As part of being a rural cooperative, we can provide energy bill assistance to our member-owners through the LIHEA and CARE programs. Contact Mt. Wheeler Power Member Services at 1-800-97-POWER or (775) 289-8981 for more information.



MT. WHEELER POWER

Powering Your Future



1600 Great Basin Blvd.
Ely, NV 89301

775.289.8981 or 800.97.POWER

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