



Carbon Power & Light Bylaws

As amended on June 27, 2009

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ARTICLE I
MEMBERS

Section 1. Requirements for Membership.

Any natural adult person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or body politic or subdivision thereof will become a member of CARBON POWER & LIGHT, INC., (hereinafter called the "Cooperative") upon receipt of electric service, satellite television, power line carrier internet service, wireless internet service or cable television service from the Cooperative, provided that he or it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase from the Cooperative a service designated above as hereinafter specified;
- (c) Agreed to comply with and be bound by the certificate of incorporation and bylaws and amendments to the certificate of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board; and
- (d) Specifically stated the district or area number of the cooperative in which the membership shall be located; and
- (e) No member may hold more than one membership in the Cooperative and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

Section 2. Service Security and Facilities Extension Deposits; Contributions in Aid of Construction.

Any service security deposit, service connection deposit or fee, facilities extension deposit, contribution in aid of construction or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative (together with a service security deposit, a facilities extension deposit or a contribution in aid of construction or any combination thereof, if required by the Cooperative), shall be paid

by the member for each additional service connection requested by him.

Section 3. Certificate of Membership; Renewal of Prior Application.

The applicant shall agree to purchase all electric power and energy or purchase other services offered by the cooperative and to be bound by and to comply with all of the other provisions of the Cooperative's Articles of Incorporation and Bylaws, and all rules, regulations and rate schedules established pursuant thereto, as all the same then exist or may thereafter be duly adopted or amended (the obligations embraced by such agreement being hereinafter called "membership obligations") -- shall be made in writing on such form as is provided therefore by the Cooperative. The membership application shall be accompanied by. Any applicable security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), which fee (and such service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, if any) shall be refunded in the event the application is by Board resolution denied. Any former member of the Cooperative may, by the sole act of paying a new applicable fees and any outstanding account plus accrued interest thereon at the Wyoming legal rate on judgments in effect when such account first became overdue, compounded annually (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

Section 4. Joint Membership.

Any two natural adult persons, living together, drawing electric energy from the same meter, or other services authorized by the

board of directors may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term “member” as used in these bylaws shall be deemed to include a husband and wife holding a joint membership, or any two natural adult persons holding a joint membership, and any provisions relating to the right and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter-specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership.
- (f) Withdrawal of either shall terminate the joint membership.
- (g) Either but not both may be elected or appointed as an officer or board member, provided that both meet the qualifications of such office.

Section 5. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse, or other natural adult person living with him or her, to comply with the articles of incorporation, bylaws and rules and regulations adopted by the board. The outstanding evidence of membership shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.
- (b) Upon the death of either spouse, or other natural adult person, who is a party to the joint membership, such membership shall be

held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 6. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds of all the members of the board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules and regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the board or by vote of the members at any annual or special meeting. The membership of a member who has ceased to purchase energy from the Cooperative shall be canceled without further notice unless the board extends the membership by resolution stating the specific terms of the membership extension
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the evidence of membership of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

Section 7. Purchase of Electric Energy.

Each electric service member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased on the premises specified in the member's certificate of membership and contract for electric service, and shall pay therefore at rates which

shall from time to time be fixed by the board. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the board from time to time. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures did not reflect such allocation and proration. It is further understood that the Cooperative shall make all reasonable efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof.

Section 8. Power Production by Member.

Each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been or shall be furnished by the Cooperative within its territory pursuant to his membership, unless and except to the extent that the Board of Directors may in writing waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Article I, Section 3. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject

to appropriate regulations as shall be fixed from time to time by the Cooperative.

Section 9. Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification.

Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the National Electric Safety Code, any applicable state code or local government ordinances, and of the Cooperative. If the foregoing specifications are variant, the more exacting standards shall prevail. Each member shall be responsible for—and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of—such premises and all wiring and apparatuses connected thereto or used thereon. 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 access thereto safely and without interference from hostile dogs or any other hostile source for meter reading, 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 of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall also provide such protective devices to his 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. 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

the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting there from, 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. In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

Section 10. Member to Grant Easements to Cooperative.

Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric or other services to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric or other facilities.

Section 11. Other Member Services.

The Cooperative may provide services other than electric service to further the original purposes of the Cooperative as set forth in Article II of the Certificate of Incorporation. In the event such services are provided without regard to or geographical location of the person or entity receiving the services, the Board of Directors of the Cooperative in their sole discretion may extend membership to such persons or entities and serve them as members.

Members subscribing to these other services will have all the same rights and privileges as members subscribing to electric service. However, in order to qualify for nomination as a director, such members must also subscribe to electric power service.

ARTICLE II
RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interest of Members.

- (a) In the event of dissolution without consolidation or merger with another electric membership cooperative corporation, and after:
- (b) All debts and liabilities of the Cooperative shall have been paid; and
- (c) All capital furnished through patronage of members shall have been retired on a pro rata basis; then, as provided by these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members.

Section 2.

In the event of merger or consolidation with another electric membership cooperative corporation:

- (a) All debts and liabilities of the Cooperative may be paid, or in the alternative assumed by the new cooperative corporation created by merger or consolidation; and
- (b) All capital credits which have been earned by the members prior to the effective date of the merger or consolidation may be preserved unimpaired after the merger or consolidation and may continue to exist as credits to a capital account of each such member in the corporation created by merger or consolidation.

Section 3. Non-liability for Debts of the Cooperative.

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

ARTICLE III
MEETING OF MEMBERS

Section 1. Annual Meeting.

The annual meeting of the members shall be held on the fourth (4th) Saturday of June of each year beginning with the year 1981 at a place within the Cooperative's territory designated by the Board of Directors, and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings.

Special meetings of the members may be called by resolution of the board, or upon a written request signed by any five (5) board members, by the President, or by five percent (5%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the board and shall be specified in the notice of the special meeting.

Section 3. Notice of Members' Meetings.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than fifteen (15) days nor more than forty-five (45) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on

the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum.

Ten percent (10%) of the total number of members of the cooperative present in person, or 100 members present in person, whichever is fewer, shall constitute a quorum, except in any disposition of property as set forth in Article VIII of these bylaws. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of members present in person and members voting by absentee ballot.

Section 5. Voting.

Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members; provided, however, that in the election of directors a member may cast a number of votes equal to the number of directors to be elected from his district, and each director shall be elected by a plurality of votes. The number of candidates shall be equal to the number of directors to be elected for the term specified in Section 2 of Article IV of these bylaws. At all meetings of the members at which a quorum is present, all questions, except election of directors, shall be decided by a vote of a majority of the members voting therein in person or mailed ballot, except as otherwise provided by law, the certificate of incorporation of the Cooperative, or these bylaws. In the event of a tie vote among candidates for director, the winner shall be determined by a fair draw administered by the chair of the meeting. If any two natural adult persons hold a joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

Section 6. Absentee Ballots.

Unless otherwise provided by law, at all meetings of the members, a member may vote by absentee ballot providing such ballot shall set forth the following: a) the proposed action to be voted upon; b) the number of responses needed to meet the quorum requirements; c) the percentage of approvals necessary to approve each matter; and d) the time by which the ballot shall be received by the corporation. Such absentee ballot may be filed with the person designated by the Secretary to receive such ballots at the office of the Cooperative at any time prior to 4:30 p.m. the day preceding the meeting, or by placing the absentee ballot in the United States mail in a timely manner such that it is received at the United States Post Office in Saratoga, Wyoming, at or before 4:30 p.m. on the day prior to the meeting. In case of a joint membership, an absentee ballot may be voted by either party (husband or wife). A member, or joint member, attending any meeting of the members in person, but having previously cast an absentee ballot, shall not be allowed to vote again. Provided further, that in any case involving the possible removal of a director by the members, the use of absentee ballots shall not be allowed, and only those members hearing the allegations and the evidence shall be allowed to vote thereon by vote personally cast.

Section 7. Accounting System and Reports.

The board shall cause to be established and maintained a complete accounting system which, among other things and subject to applicable laws and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative. A report of such audit shall be submitted to the members at the next following annual meeting.

Section 8. Order of Business.

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

- (1) Report on the number of members present in person in order to determine the existence of a quorum.
- (2) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (4) Presentation and consideration of reports of officers, trustees and committees.
- (5) Election of board members.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

ARTICLE IV
DIRECTORS

Section 1. General Powers.

The business and affairs of the Cooperative shall be managed by a board of nine (9) directors which shall exercise all of the powers of the Cooperative except such as are by law or by the certificate of incorporation of the Cooperative or by these bylaws conferred upon or reserved to the members.

Section 2. Qualifications and Tenure.

The persons named as directors in the certificate of incorporation of the Cooperative shall compose the board of directors until the first annual meeting or until their successors shall have been elected and shall have qualified. At each annual meeting of the members beginning with the

year 1942, directors shall be elected by ballot, by and from the members as hereinafter provided, to serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of directors. No member shall be eligible to become or remain a director or hold any position of trust in the Cooperative, who is not a bona fide resident in the area served by the Cooperative, or who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances. When a membership is held jointly by any two natural adult persons, either one, but not both, may be elected a director; provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

Section 3. Nominations.

It shall be the duty of the board of directors to appoint, not less than ninety (90) days nor more than one hundred twenty (120) days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of three (3) members from each district as established by these bylaws. No officer or member of the board of directors shall be appointed a member of such a committee. Persons willing to be nominated to the board of directors shall submit their names to the nominations committee seventy-five (75) days before the annual meeting by delivering their nominations to the principal office of the Cooperative by mail or physical delivery during regular hours of business. To be qualified for nomination to the board of directors, persons submitting their names for nomination shall be bona fide residents of the district they seek to represent, a natural person, and be a member of the Cooperative. The nominations committee, in their sole discretion, and by majority vote, shall have the authority to determine if a person submitting his name for nomination to the board of directors is qualified.

If more than three (3) qualified persons from a district submit their names for nomination for a seat on the board of directors, the nominations committee shall select from those submitting their names three (3) persons as determined by a majority vote of the committee that are the most likely to serve the interests of the Cooperative and its members. The nominations committee may conduct interviews of the qualified persons submitting their nominations to assist in making their determination. In no event shall the nominations committee submit for vote of the membership more than three (3) nominees. If fewer than three (3) qualified persons submit their names for possible nomination, and if the nominations committee deems it appropriate by a majority vote of the committee, the nominations committee may request from and nominate one or more additional persons to be nominees, not to exceed a total of three (3) nominees.

The committee shall prepare and post at the principal office of the Cooperative at least sixty (60) days before the meeting a list of nominations for directors. The secretary shall mail with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the committee on nominations. The members may, at any meeting at which a director or directors shall be removed, as herein before provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding this section nothing herein shall affect in any manner whatsoever the validity of any election of directors. If more than three (3) qualified persons from a district submit their names for nomination for a seat on the board of directors, the nominations committee shall select from those submitting their names three (3) persons as determined by a majority vote of the committee that are the most likely to serve the interests of the Cooperative and its members. The nominations committee may conduct interviews of the qualified persons submitting their nominations to assist in making their determination. In no event shall the nominations committee submit for vote of the membership more than three (3) nominees. If fewer than three (3) qualified persons submit their names for possible nomination, and if the nominations committee deems it appropriate by a majority vote of the

committee, the nominations committee may request from and nominate one or more additional persons to be nominees, not to exceed a total of three (3) nominees. The committee shall prepare and post at the principal office of the Cooperative at least sixty (60) days before the meeting a list of nominations for directors. The secretary shall mail with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the committee on nominations. Nominations from the floor shall not be allowed. The members may, at any meeting at which a director or directors shall be removed, as herein before provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding this section nothing herein shall affect in any manner whatsoever the validity of any election of directors.

Section 4. Representation.

Each board member shall remain a bona fide resident of the district he or she was elected to represent. The board shall have specific authority to remove any director who does not continue to reside in the district from which he or she was elected.

The territory to be served by the Cooperative shall be divided into three (3) districts or areas, bounded as follows:

District or Area No. 1 - Platte Valley.

District No. 1 shall be that portion of the certificated area of the Carbon Power & Light, Inc., that lies west of a line beginning at the NE corner of Township 22N, Range 82W; thence south to the NE corner of Township 16N, Range 82W; thence east to the Carbon and Albany county line; thence south to the Wyoming state line.

District or Area No. 2 - Elk Mountain and Rock River.

District No. 2 shall be that portion of the certificated area of the Carbon Power & Light, Inc., that lies north and west of a line beginning at the

NE corner of Township 16N, Range 82W; thence east to the SE corner of Township 17N, Range 79W; thence north to the NE corner of Township 18N, Range 79W; thence east to the SE corner of Township 19N, Range 76W; thence to the north boundary of the certificated area.

District or Area No. 3 - Laramie Valley.

District No. 3 shall be that portion of the certificated area of the Carbon Power & Light, Inc., that lies south and east of a line beginning at the NE corner of Township 22N, Range 76W; thence south to the SE corner of Township 19N, Range 76W; thence west to the NW corner of Township 18N, Range 78W; thence south to the Carbon and Albany county line; thence west and south along said county line to the Wyoming state line.

There shall be three (3) directors elected from the qualified members residing in each of the above-named districts; that the said three (3) directors in each district shall be elected by qualified members from that respective district. Each member shall have his membership assigned to a specific district where he has a meter. If he has a meter in more than one district, he shall designate one district as his for the purpose of electing directors. No member shall vote for a director from other than his designated district. That at the annual meeting of the members held on June 23, 1958, one (1) director from each district shall be elected for a term of one (1) year, one (1) director from each district shall be elected for a term of two (2) years, and one (1) director from each district for a term of three (3) years; and the said terms of said directors at said annual meeting on June 23, 1958, shall be determined as follows: The nominee from each district receiving the highest number of votes shall be declared elected for a three (3) year term; the second highest for a two (2) year term; and the third highest for a one (1) year term. That thereafter all directors shall be elected for a term of three (3) years in accordance with the provisions of this bylaw.

Section 5. Vacancies.

Subject to the provisions of these bylaws, vacancies occurring in the

board of directors shall be addressed in the following manner: The board president shall contact the chairman of the most current nominating committee specific to the district in which the vacancy occurred and request that the nominating committee recommend a suitable candidate or candidates for the board's consideration. A qualified candidate shall then be appointed to the board by a majority vote of the remaining directors. The appointed director shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have qualified.

Section 6. Compensation; Expenses.

Directors shall, as determined by resolution of the Board of Directors, receive a fixed fee, which may include insurance benefits, for attending meetings of the Board of Directors and when such has had the prior approval of the Board of Directors, for the performance of other Cooperative business. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the members or such payment and amount shall be specifically authorized by the Board of Directors upon their certification of such as an emergency measure; Provided, that a director who is also an officer of the board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors.

Section 7.

In the event of merger or consolidation of the cooperative with another electric membership cooperative, the Board of Directors of this cooperative may be consolidated for a period of time with the board of the other cooperative. The board of this cooperative may be reduced in size and voting strength in phases in accordance with the adopted plan of merger

or consolidation. A board member whose term expires and whose seat on the board is eliminated by a plan of merger or consolidation may run for another seat open for election remaining on the board for which he otherwise qualifies pursuant to these bylaws and the plan of merger or consolidation.

Section 8. Removal of Directors by Members.

Any member may bring one or more charge(s) for good cause against any one or more director(s) and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing, together with a petition signed by not less than twenty-five percent (25%) of the then-total members of the Cooperative which petition calls for a special member meeting the stated purpose of which shall be to hear and act upon such charge(s) and, if one or more directors are recalled, to elect their successor(s), and which specifies the place, time and date thereof not sooner than fifty (50) days after filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address (es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the director(s) against whom the charge(s) have been made and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than fifteen (15) days prior to the member meeting at which the matter will be acted upon: Provided, that the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charge after they have been validly filed and at least forty-five (45) days prior to the meeting of the members at which the charges are to be considered, and shall have an opportunity at the meeting to be heard in person, by evidence in respect of the charge(s); and the member(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been

charged, be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor; Provided, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents or otherwise. A newly elected director shall be from or with respect to the same Directorate District as was the director whose office he succeeds and shall serve the unexpired portion of the removed director's term.

ARTICLE V MEETINGS OF BOARD

Section 1. Regular Meetings.

A regular meeting of the board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board shall also be held monthly at such time and place within one of the counties in which the Cooperative provides service as designated by the board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings.

Special meetings of the board may be called by the President or by any five (5) board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or board members calling the meeting shall fix the time and place for the holding of the meeting. Special meetings, upon proper notice, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent thereto.

Section 3. Notice of Board Meetings.

Written notice of the time, place and purpose of any special meeting of the board shall be delivered to each board member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the board member calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail addressed to the board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting.

Section 4. Quorum.

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

ARTICLE VI
OFFICERS

Section 1. Number.

The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the board from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office.

The four officers named in Article VI, Section 1 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the board held after the annual

meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as is convenient. Each such officer shall hold office until the first meeting of the board following the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the bylaws with respect to the removal of directors and to the removal of officers by the Board of Directors. Any other officers may be elected by the board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

Section 3. Removal of Officers and Agents by the Board.

Any officer or agent elected or appointed by the board may be removed by the board whenever in its judgment the best interests of the Cooperative will be served thereby.

Section 4. President. The President shall:

- (a) be the principal executive officer of the Cooperative, and unless otherwise determined by the members of the board, shall preside at all meetings of the members and the board;
- (b) sign, with the Secretary, evidences of membership, the issue of which shall have been authorized by the board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board to be executed except in cases in which the signing and execution thereof shall be expressly delegated by the board or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the board from time to time.

Section 5. Vice President.

In the absence of the President, or in the event of his inability or refusal to

act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the board.

Section 6. Secretary.

The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to documents on which it is legally necessary or appropriate to affix the seal and upon authorization by the board;
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the certificate of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- (f) in general, performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the board.

Section 7. Treasurer.

The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and

- (c) the general performance of all the duties incident to
- (d) the office of Treasurer and such other duties as from time to time may be assigned to him or her by the board.

Section 8. Manager.

The board may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the board may from time to time vest in him or her.

Section 9. Bonds of Officers.

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

Section 10. Compensation.

The powers, duties and compensation of officers, agents and employees shall be fixed by the board subject to the provisions of these bylaws with respect to compensation for a board member and close relatives of a board member. The Cooperative shall indemnify present and former directors, officers, including the General Manager, agents and employees and may purchase insurance to cover such indemnification, as provided in the Wyoming Business Corporation Act, Wyoming Statutes, Section 17-1-105.1.

Section 11. Reports.

The officers of the Cooperative shall submit at each annual meeting of the members, reports covering the business of the Cooperative for the previous

fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited.

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

Section 2. Patronage Capital in Connection with Furnishing Electric Energy and Other COOPERATIVE Services.

- (a) In the furnishing of electric energy and other cooperative services, the Cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy and other services in excess of operating costs and expenses properly chargeable against the furnishing of such services. The formula for determining the amount of such patronage capital for each member shall be determined by the Board of Directors. All such amounts in 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 member or 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 year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after

the close of the year notify each member in writing of the amount of capital so credited to his account. In its sole discretion, the board of directors may establish separate patronage capital pools depending on the nature of business to which the pools relate.

All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

The board of directors, in its sole discretion, may establish reserves for necessary purposes such as depreciation specific contract risk, storm damage or other needs in accordance with internal revenue service rev. rul. 72-36, 972-1 c.b. 151. However, for all reserves maintained, the cooperative will maintain records of the members' interest in such reserves.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior year and (b) to the extent not needed for that purpose, may be added to the Cooperative's retained earnings or allocated to its members on a patronage basis at the discretion of the Board of Directors.

- (b) In the event of dissolution or liquidation of the Cooperative, not to include merger or consolidation with another electric membership cooperative, the Cooperative will first satisfy all outstanding indebtedness of the Cooperative prior to the retiring of outstanding capital credits. In the event of a consolidation or merger, all capital credits which have been earned by the members of the Cooperative shall either be paid or be preserved unimpaired and shall continue to exist as credits to a capital account of each member in the corporation merged with or created by consolidation. Outstanding capital credits shall be retired without priority on a pro rata basis

before any payments are made on account of property rights of the members. If, at any time prior to the dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to members' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority that the board of directors determines appropriate for the class of patronage capital. The Cooperative, before retiring any capital credited to any member's account, shall deduct there from the present value of any amount owing by such member to the Cooperative as described below.

- (c) Notwithstanding any other provisions of the bylaws, if any member or former member, fails to claim any cash retirement of capital credits or other payment from the Cooperative within two years after payment of the same has been made available to him by notice or check mailed to him at his last address furnished by him to the Cooperative, such failure shall be and constitutes a contribution to the capital of the Cooperative by such member or former member of such capital credit or other payment to the Cooperative. Failure to claim any such payment within the meaning of this section shall include the failure by such member or former member to cash any check mailed to him by the Cooperative at the last address furnished by him to the Cooperative. The contribution of capital provided for under this section shall become effective only upon the expiration of two (2) years from the date when such payment was made available to such member or former member, without claim therefore and only after the further expiration of sixty (60) days following the giving of a notice by mail and publication that unless such payment is claimed within said sixty (60) day period, such contribution of capital to the Cooperative shall become effective. The notice by mail herein provided for shall be one mailed by the Cooperative to such member or former member at the last known address and the notice by publication shall be two (2) consecutive insertions in a newspaper circulating in the service area of the Cooperative. The sixty (60) day period following the giving of such notice shall be deemed to terminate after the mailing of such notice or sixty (60)

days following the last date of publication thereof, whichever is later.

- (d) Said funds are to be used, at the discretion of the Board of Directors, to promote educational programs and provide scholarships to students in Carbon's service area.
- (e) Capital credited to the account of each member shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such member's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise.
- (f) Notwithstanding any other provision of these bylaws, the board, at its discretion, shall have the power at any time upon the death of any natural person being a member or former member if the legal representatives of his estate shall request in writing that the capital credited to any such member or former member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such member or upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such member's or former member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby. The board shall have full authority to take any and all action necessary to implement this provision, and nothing herein shall in any way create any right in any member or former member to the early retirement of capital credits if in the determination of the board such early retirement is not advisable for any reason.
- (g) Notwithstanding the provision regarding redemption of patronage capital above the board of directors at any time in which the financial condition of the cooperative will not be impaired may authorize the early redemption of patronage capital at a discount from face value taking into account the cooperative's cost of equity capital. The determination of the eligibility

for such discount and the discount rate to be applied shall be exclusively at the discretion of the board. all amounts retained by the cooperative resulting from the discounting procedure shall be classified as class b patronage credits in the name of the member or former member to which it was redeemed, and only redeemable upon the dissolution or liquidation of the cooperative.

Eligibility for possible redemption at a discount includes, but is not limited to estates of deceased members and former members, industrial members, commercial members, members terminating service and residential members.

The members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the article 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 article 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.

ARTICLE VIII DISPOSITION OF PROPERTY

Section 1.

The Cooperative may not sell, lease or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a meeting of the electric service members thereof by the affirmative vote of not less than two-thirds of all of the electric service members of the Cooperative, and unless the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize

the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income there from, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative.

Section 2.

No sale, lease, lease-sale, exchange or other disposition of all or a substantial portion of the Cooperative's assets to any other entity shall be authorized except in conformity with the following:

- (h) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange or other disposition, it shall first cause three (3) independent appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a resident District Court Judge for the Second Judicial District, Albany or Carbon County, Wyoming. If such judge refuses to make such designations, they shall be made by the Board of Directors.
- (i) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are recommended, if any), determines that the proposal should be submitted for consideration by the electric service members, it shall first give every other electric membership corporation corporately sited and operating in the state (which has not made such an offer for such sale, lease, lease-sale, exchange or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric membership corporations, which notice shall be attached to a copy of the proposal which the Cooperative has already received and a copy of the report(s) of the three (3) appraisers. Such electric membership corporations shall be given not less than thirty (30) days during which to submit competing

- proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice to them.
- (j) If the board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the electric service members, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof which meeting shall not be held sooner than one hundred eighty (180) days after the giving of such notice to the members; Provided, that consideration thereof by the members may be given at the next annual member meeting if the board so determines and if such annual meeting is not held sooner than one hundred eighty (180) days after the giving of such notice.
 - (k) Any fifty (50) or more electric service members, by so petitioning the board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the board has made.
 - (l) The foregoing provisions of Article VIII, Sections 1 and 2, shall not apply to a sale, lease, lease-sale, exchange or other disposition to one or more other electric membership corporations if the substantive effect thereof is to merge or consolidation with such other one or more electric membership corporations. In the event of merger or consolidation with an electric membership corporation, the merger or consolidation shall be approved by not less than two-thirds of the membership of the Cooperative voting either at a properly noticed meeting of the membership, by mailed ballot, or both. Members may be compensated for the return of the ballot as long as such compensation is not used to affect the outcome of the vote.

Section 3.

The Cooperative may not be dissolved, except as provided in Article VIII, Section 2(e) to effect either a merger or consolidation with one or more electric membership corporations, unless a vote is taken at an annual or special meeting called in accordance with these bylaws at which

two-thirds of the total electric service membership of the Cooperative votes for dissolution. Provided further that nothing herein shall prevent consolidation or merger with one or more electric membership corporations by mailed ballot as previously provided for herein.

ARTICLE IX

SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Wyoming."

ARTICLE X

FINANCIAL TRANSACTIONS

Section 1. Contracts.

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

Section 2. Checks, Drafts, etc.

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

Section 3. Deposits; Investments.

All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

Section 4. Change in Rates.

Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

Section 5. Fiscal Year.

The fiscal year of the Cooperative shall begin on the first (1st) day of January of each year and shall end on the thirty-first (31st) day of December of the same year.

ARTICLE XI
MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided however, that the Cooperative may upon the authorization of the board, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of RUS, or any other corporation for the purpose of acquiring electric facilities.

ARTICLE XII
WAIVER OF NOTICE

Any member or board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except in case a member or board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE XIII
POLICIES, RULES AND REGULATIONS

The board shall have the power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

ARTICLE XIV
AREA COVERAGE

The board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE XV
AMENDMENTS

These bylaws may be altered, amended or repealed by a vote of at least two-thirds (2/3) of all directors at any regular or special meeting of the board of directors. Advance publications of any proposed amendment shall be made at least thirty (30) days prior to the adoption thereof in a newspaper published in the Wyoming Counties in which the Cooperative serves.

APPENDIX A
STATEMENT OF NONDISCRIMINATION

This institution is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also

write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

This institution is operated under special use permit with the Medicine Bow Route National Forest.

BYLAWS
of
CARBON POWER & LIGHT, INC.
SARATOGA, WYOMING
As Amended to JUNE 27, 2009