

BYLAW CHANGE SUMMARY

The Board of Directors of San Isabel Electric is proposing that the membership consider amending the Association bylaws, at this year's annual meeting.

During the last session of the Colorado legislature there were new laws passed concerning governance of electric cooperatives.

The new statutes now provide the option of electronic voting in Colorado. The Board of Directors of San Isabel feel that this is a good mechanism to allow more participation by the membership in the affairs of the company. The new legislation also provides for allowing directors and members to participate in meetings by electronic means. The new legislation also changed some timelines that require the Association bylaws to be changed.

The election process has been handled for several years by System Ballot Services ("SBS") and the Board of Directors is confident that if the membership approves these changes that SBS will be able to provide a secure and reliable process for electronic voting. The Board of Directors asks that you vote in support of the proposed bylaw changes.

Thank you.

ARTICLE II MEETINGS OF MEMBERS

Section 3. Notice of Members' Meetings. 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 ten (10) days nor more than fifty (50) days before the date of the meeting, either personally or by mail, **or by electronic means**, 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 their address as it appears on the records of the Association with postage thereon prepaid. The failure of any Member to receive notice of an annual or special meeting of the Members shall not invalidate any action which may be taken by the Members at any such meeting.

Section 4. Quorum. A quorum for the election of Directors or for amending the Articles of Incorporation or for the transaction of all business of the Association at all meetings of the Members shall be fifty (50) Members ~~present, in person~~. If less than a quorum is present at any meeting of the Members, a majority ~~of those present in person~~ may adjourn the meeting from time to time without further notice.

Section 5. Voting. Voting for election of Directors and amendment of the Bylaws shall be in person at meetings or by mail **or by electronic means**, as provided herein.

Nothing shall be voted on at a meeting of the Members that is not on the agenda and placed there by the Board or requested by petition of fifty (50) qualified Members of the Association whose signatures shall be duly notarized. Said petition is to be filed with the Association at its principal office within thirty (30) days after the first general notice of the meeting of Members.

Each Member of the Association shall be entitled to only one (1) vote upon each matter, including election of members of the Board of Directors, submitted to a vote at a meeting of the Members. Questions shall be decided by a vote of a majority of the Members voting in person at meetings, by mail, **or by electronic means**, or as otherwise provided by law, the Articles of Incorporation or these Bylaws. No Member may cast more than one (1) vote on any one (1) issue.

Mail voting shall be on ballots provided by the Association and shall be voted by the Member deposited in a return envelope, which must be signed by the voting Member and mailed back to the Association. Envelopes containing mail ballots shall remain ~~sealed and~~ uncounted until the meeting held for the purpose of electing the Board of Directors. Mail ballots must be received by the Association by the close of business two (2) days prior to the date of the meeting of the Members in order to be considered valid.

In the event there is only one (1) nomination for any Director, the President of the Board shall report that fact to the Members at the annual meeting and upon such declaration, that candidate shall be deemed elected.

ARTICLE III DIRECTORS

Section 4. Nominations. It shall be the duty of the Board of Directors to appoint, not less than seventy (70) days nor more than ninety (90) days before the date of a meeting of the Members at which Directors are to be elected, a Nominating Committee consisting of not less than five (5) nor more than eleven (11) Members who shall be selected so as to give equitable representation on the committee to the geographical areas served by the Association. No Officer or member of the Board of Directors shall be appointed a member of such committee. The committee shall prepare and post at the principal office of the Association at least sixty (60) days before the meeting, a list of nominations for Directors, but any fifteen (15) or more Members may make other nominations in writing over their signatures, ~~duly acknowledged,~~ not less than **sixty (60)** ~~forty five (45)~~ days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted and add said names to the ballot. At least one (1) Member of the Nominating Committee shall be appointed from each district from which a Board Director is to be elected.

ARTICLE IV MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held without notice other than this Bylaw, immediately after, and at the same place as, the annual meeting of the Members. A regular meeting of the Board of Directors shall also be held monthly at such time and place within the service area of the Association, State of Colorado, as the Board of Directors may provide by resolution. **Directors may attend meetings by electronic means.** Notice of the time and place of a meeting of the Board of Directors and a copy of the agenda for such meeting shall be posted in every service office maintained by the Association at least ten (10) days before the meeting. The agenda shall specifically designate the issues or questions to be discussed, or the actions to be taken at the meeting. Copies of said agenda shall be available for Members.