BYLAWS

SAN ISABEL ELECTRIC ASSOCIATION, INC.

Located at
781 E. Industrial Blvd.
Pueblo West, CO 81007

Telephone 719-547-2160
Toll Free 1-800-279-SIEA (7432)

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Annual Meeting of the Members
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BYLAWS
SAN ISABEL ELECTRIC ASSOCIATION, INC.

The Association Bylaws are applicable to all Members and non-members.

ARTICLE I
MEMBERSHIP

Section 1. Requirements for Membership. Any person, firm, association, corporation, body politic, including cities, towns, and political subdivisions shall automatically become a Member of San Isabel Electric Association, Inc., hereinafter called the "Association," upon receipt of electric service from the Association, provided that:

(a) Said Member has applied for and agreed to purchase electric service as provided in the Tariffs of the Association.

(b) Any said customer not desiring to become a Member may request, in writing, that said customer be served as a member of the public without becoming a Member of said Association; provided, however, that said customer shall nevertheless be required to make the Member's deposit as provided in the said Tariffs of the Association.

(c) No Member may hold more than one (1) membership in the Association and no membership in the Association shall be transferable, except as provided by these Bylaws.

Section 2. Joint Membership. A joint membership may consist only of a married couple, individuals in a legally recognized relationship, or individuals occupying the same location to or for which the Association provides or will provide an Association service and each of whom qualifies to be a Member. The effect of joint membership shall be as follows:

(a) The presence at a meeting of the joint Member shall be regarded as the presence of one (1) Member, and shall constitute a joint waiver of notice of the meeting.

(b) The vote of either separately or jointly shall constitute one (1) joint vote.

(c) A waiver of notice signed by any shall constitute a joint waiver.

(d) Notice to any shall constitute notice to all.

(e) Expulsion of any shall terminate the joint membership.

(f) Withdrawal of any shall terminate the joint membership.

(g) Only one (1) joint Member may be elected or appointed as an Officer or Board Director.

Section 3. Conversion of Membership.

(a) Membership in the Association shall be transferable only under the conditions herein stated and under the provisions of Article 1. Membership in the Association shall be transferable to any person, firm, corporation, or body politic who or which is eligible for membership in the Association and becomes a Member of the Association under the conditions set forth in these Bylaws.

(b) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and the proposed joint Member to comply with the Articles of Incorporation, Bylaws, and Rules and Regulations adopted by the Board.

(c) Upon the death of a joint Member who is a party to the joint membership, such membership shall be held solely by the survivor. The estate of the deceased shall not be released from any debts due the Association.

Section 4. Purchase of Electric Energy. Each Member shall, as soon as electric energy shall be available, purchase from the Association all electric energy used on the premises specified in the application for service and agrees to purchase energy as provided in the Tariffs; provided, however, that the Board of Directors may limit the amount of electric energy which the Association shall be required to furnish to any one Member. 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 Association such minimum amount regardless of the amount of electric energy consumed, as provided in the Tariffs. Each Member shall also pay all amounts owed to the Association as and when the same shall become due and payable.

Section 5. 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 (2/3) of all the members of the Board of Directors, 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 Association that such failure makes them liable to expulsion and such failure shall have continued for at least ten (10) 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 for a period of six (6) months after service is available has not purchased electric energy from the Association, or who has ceased to purchase energy from the Association, may be canceled by resolution of the Board.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a Member, the membership of such Member shall thereupon terminate. Termination of membership in any manner shall not release a Member from any debts due the Association.

Section 6. Non-Liability for Debts of the Association. The private property of the Members of the Association shall be exempt from execution for the debts of the Association and no Member shall be individually liable or responsible for any debts or liabilities of the Association.

ARTICLE II
MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the Members shall be held between April 1 and November 1 of each year on the specific date and at such time and place within the service area of the Association, State of Colorado, as shall be designated by the Board of Directors in the notice of the meeting for the business of electing Directors, passing upon reports covering the previous fiscal year, and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Association.

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 three (3) Board Directors, by the President, or by ten percentum (10%) 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 the service area of the Association as designated by the Board and shall be specified in the notice of the special meeting.

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. If less than a quorum is present at any meeting of the Members, a majority 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 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.

Section 6. Proxies. Voting by proxy or cumulative voting is not permitted.

Section 7. 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 Directors.

6. Unfinished business.

7. New business.

8. Adjournment.

ARTICLE III
DIRECTORS

Section 1. General Powers. The business and affairs of the Association shall be managed by a Board of Directors which shall exercise all of the powers of the Association, except such as are by law, or by the Articles of Incorporation of the Association, or by these Bylaws.

Section 2. Number, Election, Tenure of Office, and Voting for Directors. The Directors of the Association are divided into a maximum of eleven (11) and a minimum of seven (7) Director districts with each district being represented by one (1) Director. The Director districts shall be established by the Board, giving due regard to Members and community of interest and shall

be reviewed periodically by the Board to maintain this expressed policy. Each Director shall hold office for a period of three (3) years, except in the case of a Member appointed by the Board to fill the vacancy of an initial or unexpired term, and said Members shall serve until the next annual meeting, or until their successors have been elected and have qualified. At each annual meeting, a number of Directors equal to the number of Directors whose terms shall have expired, plus the initial or unexpired term, as hereinbefore described, if any, shall be elected by secret ballot by and from the Members. A Director, whose term expires in any year, expires at the time of the annual meeting.

Each Director shall be elected from their respective Director district by the Members from that district only, who shall have the right to cast one (1) vote for said Director, regardless of number of services. The candidate receiving the highest number of votes within the candidate's specific Director district, subject to the election, shall be elected for the term hereinbefore specified.

Qualified Members of the Association shall have the right to vote for and elect qualified Directors, without limitation as to length of previous service.

Section 3. Qualifications. No Member shall be eligible to become or remain a Board Director of the Association who:

(a) is not a Member and who is not being served by the Association; or

(b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy, or supplies to the Association, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the Members of the Association; or

(c) is not a Member taking service and is not a legal resident within the Director district in which election is sought; or

(d) while a Director and during the three (3) years immediately before becoming a Director, not be an employee of the Association.

A Director must physically live and operate their primary household in the legal residence for at least ten (10) months each year.

Upon establishment of the fact that a Board Director is holding the office in violation of any of the foregoing provisions, the Board shall remove such Board Director from office.

Nothing contained in this section shall affect in any manner whatsoever the

validity of any action taken at any meeting of the Board.

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, not less than sixty (60) 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.

Section 5. Removal of Board Directors by Members. Any Member may bring charges against a Board Director and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percentum (10%) of the Members, or three hundred (300), whichever is the lesser, may request the removal of such Board Director by reason thereof. Such Board Director shall be informed in writing of the charges at least ten (10) 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 or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against them shall have the same opportunity. The question of the removal of such Board Director shall be considered and voted upon at the meeting of the Members and any vacancy created by such removal may be filled by vote of the Members at such meeting without compliance with the foregoing provisions with respect to nominations.

Section 6. Vacancies. Subject to the provisions of these Bylaws, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors and Directors thus elected shall serve until the next annual meeting of the Members or until their successors shall have been elected and shall have qualified. At the annual meeting, this vacancy shall be filled by an elected Member to serve the unexpired portion of the term.

Section 7. Compensation. Directors, as such, shall not receive any salary for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at meetings of the Board of Directors, Board Committee Meetings, NRECA, CREA, and other

industry meetings as determined by the Board of Directors. Except in emergencies, no Director shall receive compensation for serving the Association in any other capacity, nor shall any close relative of a Director receive compensation for serving the Association, unless such compensation shall be specifically authorized by a vote of the Members.

Section 8. Policies, Rules, and Regulations. The Board shall have 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 Association.

Section 9. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system, which, among other things, subject to applicable laws and rules 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. All accounts of the Association shall be examined by a committee of the Board of Directors which shall render reports to the Board of Directors at least four (4) times a year at regular meetings of the Board of Directors. The Board of Directors shall also, within thirty (30) days after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Association as of the end of such fiscal year by a Certified Public Accountant. A report of such audit shall be submitted to the Members at the next following annual meeting.

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.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President of the Board of Directors or any three (3) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place within the service area of the Association

for the holding of any special meeting of the Board of Directors called by them.

Section 3. Notice. Notice of the time, place, and purpose of any special meeting of the Board of Directors shall be delivered to each Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

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

Section 5. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE V
OFFICERS

Section 1. Offices. The Officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer to be elected from the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The President, Vice President, Secretary, and Treasurer of the Board of Directors shall be elected by ballot annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Members. The Board may also appoint a General Manager. If the election of Officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Each Officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the Members or until their successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of Officers.

Section 3. Removal. Any Officer or agent 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 Association will be served thereby.

Section 4. Vacancies. Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President of the Board:

(a) shall be the principal executive Officer of the Association and shall preside at all meetings of the Members and of the Board of Directors;

(b) shall sign with the Secretary any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other Officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and

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

Section 6. Vice President. In the absence of the President of the Board, or in the event of their inability or refusal to act, the Vice President of the Board 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 of the Board and shall perform such other duties as from time to time may be assigned by the Board of Directors.

Section 7. Secretary. The Secretary shall oversee:

(a) the keeping of the minutes of the meetings of the Members and of the Board in books provided for that purpose;

(b) that all notices are duly given in accordance with these Bylaws or as required by law;

(c) the safekeeping of the Association books and records and the seal of the Association to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws;

(d) the keeping of a register of the names and post office addresses of all Members;

(e) keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Association containing all amendments thereto (which

copy shall always be open to the inspection of any Member) and at the expense of the Association, 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 by the Board.

Section 8. Treasurer. The Treasurer shall oversee:

(a) the custody of all funds and securities of the Association;

(b) the receipt of and the issuance of receipts for all monies due and payable to the Association and for the deposit of all such monies in the name of the Association 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 the office of Treasurer and such other duties as from time to time may be assigned by the Board.

Section 9. General Manager. The Board may appoint a General Manager who may be, but who shall not be required to be, a Member of the Association. The General Manager shall perform such duties and shall exercise such authority as the Board may from time to time vest.

Section 10. Bonds of Officers. The Treasurer and any other Officer or agent of the Association 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 Association to be bonded in such amount and with such surety as it shall determine.

Section 11. Reports. The Officers of the Association shall submit at each annual meeting of the Members, reports covering the business of the Association for the previous fiscal year and showing the condition of the Association at the close of such fiscal year.

ARTICLE VI
CONTRACTS, CHECKS, AND DEPOSITS

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board may authorize any Officer or Officers, agent, or General Manager to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Association shall be signed and/or countersigned by such Officer or Officers, agent or agents, employee or employees of the Association and in such manner as shall from time to time be determined by reso1ution of the Board.

Section 3. Deposits. All funds except petty cash of the Association shall be deposited from time to time to the credit of the Association in such bank or banks as the Board may select.

ARTICLE VII
REVENUES AND RECEIPTS

Section 1. Interest or Dividends on Capital. The Association shall at all times be operated on a cooperative nonprofit basis for the mutual benefit of its Members. No interest or dividends shall be paid or payable by the Association on any capital furnished by its Members except on deposits.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Association's operations shall be so conducted that all Members will, through their patronage, furnish capital for the Association. In order to induce patronage and to assure that the Association will operate on a nonprofit basis, the Association is obligated to account on a patronage basis to all its Members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Association are received with the understanding that they are furnished by the Members as capital. The Association is obligated to pay by credits to a capital account for each Member all such amounts in excess of operating costs and expenses. The books and records of the Association 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 capital account of each Member, and the Association shall, within a reasonable time, after the close of the fiscal year, notify each Member of the amount of capital so credited. 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 Association corresponding amounts for capital.

If the costs and expenses exceed the amounts received and receivable from the furnishing of electric energy, hereinafter referred to as “loss”, then the Board

shall have the authority under accepted accounting practices, loan covenants and tax law to prescribe the manner in which such loss shall be handled.

All other amounts received by the Association in excess of costs and expenses shall other than from the furnishing of electric energy, insofar as permitted by law, be:

(a) used to offset any losses incurred during the current or any prior fiscal year;

(b) used to establish reserves and other capital not assignable to the Members prior to the dissolution of the Association; and

(c) to the extent not needed for these purposes, allocated to Members on a patronage basis at the discretion of the Board of Directors.

In the event of dissolution or liquidation of the Association, after all outstanding indebtedness of the Association shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of Members. If at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Association will not be impaired thereby, the capital then credited to the Members' accounts may be retired in full or in part. The Board shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital. Notwithstanding any other provision of these Bylaws, the method, basis, priority and order of retirement, if any, chosen by the Board of Directors may include the retirement of amounts furnished as capital at a discount.

Capital credited to the account of each Member shall be assignable only on the books of the Association pursuant to written instructions 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 Association unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Subject to the right offset for any amounts owed the Association, Members may at any time irrevocably assign and contribute their outstanding capital credits to the Association as a contribution of capital. Such irrevocable assignment and contribution of capital shall not be allocated to the Members and is distributable only upon dissolution of the Association pursuant to the property rights of Members.

Notwithstanding any other provision of these Bylaws, the Board of Directors at its discretion, shall have the power at any time upon the death of any Member,

if the legal representatives of the estate shall request in writing that the capital credited to any such 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 immediately upon such terms and conditions as the Board of Directors, acting under policies of general applications and the legal representatives of such Member's estate shall agree upon; provided, however, that the financial condition of the Association will not be impaired thereby.

The Members of the Association, by dealing with the Association, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Association and each Member, and both the Association 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 Association by posting in a conspicuous place in the Association's office and by placing on the Association's website.

Section 3. Disposition of Patronage Capital Not Claimed by Member. In all cases where a Member fails to claim any deposits, stocks, dividends, capital credits, patronage refunds, or any other property or funds held by the Association, after the same have been declared payable, the Association may recover and use such property or funds for expenditures associated with the provision of electric service as directed by the board of directors of the Association; provided, that the Association shall first give notice to such Member at the address shown in the Association's records, and publication by posting the Member's name on the Association's website, and by publication in the monthly newsletter. Such notice may not be given prior to six (6) months after the date such amount is declared payable or the date such amount is paid by the Association by negotiable instrument, whichever first occurs.

If such Member does not claim such amount within three (3) years after the date of mailing, posting, or publication of the notice, then such claim shall be extinguished and forever barred.

ARTICLE VIII
WAIVER OF NOTICE

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

ARTICLE IX
DISPOSITION OF PROPERTY

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

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

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

(c) personal property acquired for resale; provided, however, that notwithstanding anything herein contained, the Board of Directors, without authorization by the Members, shall have full power and authority to borrow money from any other lenders, lending agencies or lending corporations, and in connection with such borrowing to authorize the making and issuance of bonds, notes, or other evidences of indebtedness and to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbrancing of any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Association, whether acquired or to be acquired, and wherever situated, all upon such terms and conditions as the Board of Directors shall determine.

(d) If the Board of Directors deems it to be in the best interest of the Association and membership to sell, exchange, lease, or otherwise dispose of all or substantially all, of the property and assets of the Association, the Board may do so only in the following manner:

(1) The Board of Directors shall adopt a resolution recommending the sale, lease, exchange, or other disposition and directing that it be submitted to a vote in accordance with Article II, Section 5 and 6, of these Bylaws. Said vote shall be at the annual or special meeting of the membership in accordance with Article II, Sections 5 and 6, of these Bylaws. Written notice stating that the purpose or one of the purposes of the meeting is to consider the sale, lease, exchange, or other disposition of all or substantially all, the property and assets of the Association, shall be given to each Member entitled to vote within the time and in the manner provided by law for the giving of notice of

meetings of Members. The membership may authorize such sale, lease, exchange, or other disposition and may fix or may authorize the Board of Directors to fix any of the terms and conditions thereof and the consideration to be received by the Association therefore, if any. Unless the Articles of Incorporation of the Association require a larger number of votes for approval, this authorization shall require at least two-thirds (2/3) of the vote of the membership. After such authorization by a vote of the membership, the Board of Directors, nevertheless in its discretion may abandon such sale, lease, exchange, or other disposition of the assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by the membership, as provided by law.

ARTICLE X
FISCAL YEAR

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

ARTICLE XI
MEMBERSHIP IN OTHER ORGANIZATIONS

The Association shall not become a member of any other organization without an affirmative vote of the Board of Directors.

ARTICLE
XII SEAL

The Corporate Seal of the Association shall have inscribed thereon the name of the Association, "San Isabel Electric Association, Inc.," the words "Corporate Seal," "Colorado."

ARTICLE XIII
AMENDMENTS

These Bylaws may be altered, amended, or repealed by the Members in the following manner:

(a) by recommendation of the Board of Directors of the Association in the form of a resolution, provided that such alteration, amendment, or repeal, shall have been contained in the notice of such meeting.

(b) by petition containing the proposed amendment as it is to be submitted to the membership. Said petition is to be signed by fifty (50) qualified

Members of the Association whose signatures shall be duly notarized.

Said petition shall be filed in final form with the Association at its principal office thirty (30) days after the first general notice of the meeting of Members.

(c) Voting on said amendment, alteration, or repeal, shall be by mail and through vote of Members in attendance at the regular or special meeting called therefore, as provided herein in Article II, Sections 5 and 6, hereof.

ARTICLE XIV
MERGERS, CONSOLIDATIONS OR ACQUISITIONS

The Association may merge or consolidate with another Association if the merger or consolidation is authorized by a majority vote of all those Members of the Association present in person or by means of a mail-in ballot following written notice of a meeting of Members to consider and vote on such merger or consolidation question as provided for in accordance with Article II, Sections 5 and 6, of these Bylaws, and further provided that such merger or consolidation is recommended by a majority vote of the entire Board of Directors.

Otherwise, any proposed merger or consolidation or acquisition of the Association by any other kind of organization shall require a two-thirds (2/3) majority affirmative vote of all Members of the Association following a positive recommendation by a two-thirds (2/3) majority vote of the entire Board of Directors and following written notice of a meeting of Members to consider and vote on such merger or consolidation or acquisition question as provided for in accordance with Article II, Sections 5 and 6, of these Bylaws. Such vote shall occur at a meeting of the Members called for the specific purpose of approving such a merger or consolidation or acquisition of the Association.

STATEMENT OF NONDISCRIMINATION

San Isabel Electric Association, Inc. is an equal opportunity provider and employer.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Person with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
(2) fax: (202) 690-7442; or
(3) email: program .intake@usda .gov.

De acuerdo con la ley federal de derechos civiles y las reglamentaciones y politicas de derechos civiles del Departamento de Agricultura de Estados Unidos (U.S. Department of Agriculture, USDA), se prohibe al USDA, sus agencias, oficinas y empleados, e instituciones que participan o administran los programas del USDA, discriminar por motivos de raza, color, origen nacional, religion, genero, identidad de genero (incluidas las expresiones de genero), orientacion sexual, discapacidad, edad, estado civil, estado familiar/parental, ingresos derivados de un programa de asistencia publica, creencias polfticas, o reprimendas o represalias por actividades previas sobre derechos civiles, en cualquier programa o actividad llevados a cabo o

financ iados por el USDA (no todas las bases se aplican a todos los programas). Las fechas limite para la presentacion de remedios y denuncias varian segun el programa o el incidente.

Las personas con discapacidades que requieran medios alternativos de comunicacion para obtener informacion sobre el programa (por ej., Braille, letra grande, cinta de audio, lenguaje americano de senas, etc.) deberan comunicarse con la Agencia responsable o con el Centro TARGET del USDA al (202) 720-2600 (voz y TTY) o comunicarse con el USDA a
traves del Servicio Federal de Transmisiones al (800) 877-8339. Asimismo, se puede disponer de informacion del programa en otros idiomas ademas de ingles.

Para presentar una denuncia por discriminacion en el programa, complete el Formulario de denuncias por discriminacion en el programa del USDA, AD-3027, que se encuentra en linea en http://www.ascr.usda.gov/complaint_filing_cust.html, o en cualquier oficina del USDA, o escriba una carta dirigida al USDA e incluya en la carta toda la informacion solicitada en el formulario. Para solicitar una copia del formulario de denuncias, ! lame al (866) 632-9992. Envie su formulario completado o su carta al USDA por los siguientes medios:

(1) correo: U.S. Department of Agriculture,
Office of the Assistant Secretary for Civil Rights,
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
(2) fax: (202) 690-7442; o
(3) correo electronico: program.intake@usda.gov.