



**POWDER
RIVER
ENERGY
CORPORATION**
A Touchstone Energy® Cooperative 

POWDER RIVER ENERGY CORPORATION

Bylaw Handbook

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Article I

REQUIREMENTS OF MEMBERSHIP

SECTION 1. Requirements for Membership

Any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or any body politic (each referred to in these bylaws as person, applicant, his/her/it) may become a member in Powder River Energy Corporation (hereinafter called the Corporation) by:

- (a) Signing an application for membership and electric service agreement on a form provided by the Corporation;
- (b) Agreeing to purchase from the Corporation cooperative electric energy as hereinafter specified in Article I, Section 5; and
- (c) Agreeing to comply with and be bound by the certificate of incorporation, the bylaws, rules and regulations, rate schedules and rate classifications as may be adopted or amended by the board of directors and the terms and conditions of the application for membership and electric service agreement.

SECTION 2. Membership Limitations

No member may hold more than one (1) membership in the Corporation and no membership in the Corporation shall be transferable, except as provided in these bylaws.

SECTION 3. Joint Membership

A husband and wife may apply for joint membership and, subject to compliance with the requirements set forth in Section 1 of this Article, may be accepted for membership. Joint membership shall be subject to, in addition to all other requirements imposed herein, the following conditions:

- (a) The presence at a meeting of any one (1) person of the joint membership shall be regarded as the presence of one (1) member and shall have the effect of revoking a proxy executed by any one (1) person of the joint membership and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of any one (1) person of the joint membership separately shall constitute one (1) joint vote;
- (c) A proxy executed by any one (1) person of the joint membership shall constitute one (1) joint proxy;
- (d) A waiver of notice signed by any one (1) person of the joint membership shall constitute a joint waiver;
- (e) Notice to any one (1) person of the joint membership shall constitute notice to all persons of the joint membership;
- (f) Expulsion of any one (1) person of the joint membership shall terminate the joint membership;
- (g) Withdrawal of any one (1) person of the joint membership shall terminate the joint membership;
- (h) Any one (1) person of the joint membership may be elected or appointed as an officer or director provided the candidate for appointment or election meets all qualifications for the position.

SECTION 4. Representation by Corporations and Partnerships

A member firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or any body politic may designate a voting representative to represent the member at all meetings. A designation shall be in writing and signed by a duly authorized representative of the member. The Corporation reserves the right, in

the Corporation's sole discretion, to reject any designation made pursuant to the terms and conditions of this article. No designated voting representative shall act and vote as representative for more than one member firm, association, corporation, business trust, partnership, federal agency, state or political subdivision thereof, or any body politic.

SECTION 5. Purchase of Electric Energy

Each member shall, as soon as electric energy shall be available, purchase from the Corporation all electric energy used on the premises specified in his/her/its application for membership and electric service agreement, and shall pay therefore at rates which shall be fixed by the board of directors. It is expressly understood all 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 by these bylaws. Each member shall pay to the Corporation a minimum amount regardless of the amount of electric energy consumed as shall be fixed by the board of directors. Each member shall also pay all amounts owed by him/her/it to the Corporation as and when the same shall become due and payable.

Whenever the Corporation has evidence or determines that special or abnormal risks or conditions may be involved in providing service to a specific load or customer, the Corporation may require special terms, contract conditions, bonds, cash advances or deposits of such a nature as it may consider reasonably necessary for its' protection against financial loss in connection with the special conditions or risks involved.

SECTION 6. Termination of Membership

Any member may withdraw from membership upon compliance with all terms and conditions as the board of directors may prescribe. The board of directors may, by the affirmative vote of not less than two-thirds (2/3) of all directors, expel any member who fails to comply with the certificate of incorporation, bylaws, all rules, regulations, rate schedules and rate classifications adopted by the board of directors, but only if the member shall have been given written notice by the Corporation that his/her/its failure makes him/her/it liable to be expelled and such failure shall have continued for at least ten (10) days after notice was given. Notice shall be deemed to have been given when deposited in the United States mail prepaid to the address provided by the member in the signed application for membership and electric service agreement. Any expelled member may be reinstated by vote of the board of directors 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 Corporation may be cancelled. A membership shall terminate upon the withdrawal, death, cessation of existence or expulsion of the member. Termination of membership in any manner shall not release a member or his/her/its estate from any debts due to the Corporation.

SECTION 7. Definition and Classifications

The Corporation may have one or more classes of members including, but not limited to, a Class C membership to allow Powder River Energy Corporation to become a wholesale power provider. If the board establishes more than one class of membership, it shall, by resolution, determine the definitions, types, qualifications and rights of each class and make the information readily available to the membership.

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members

Upon dissolution after:

- (a) All debts and liabilities of the Corporation shall have been paid; and

- (b) All capital furnished through patronage shall have been retired as provided in these by-laws, the remaining property and assets of the Corporation 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 during the next ten (10) years preceding the date of the filing of the certificate of dissolution.

SECTION 2. Non-liability for Debts of the Corporation

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

SECTION 3. Indemnification

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

ARTICLE III

MEETINGS OF MEMBERS

SECTION 1. Annual Meeting

The annual meeting of the members shall be held in one of the counties of Campbell, Crook, Johnson, Sheridan or Weston, State of Wyoming, or at a location as may be designated in the notice of the meeting, and on the date established by the board of directors and designated in the notice of the meeting. The board of directors will post notice of the date designated for the annual meeting in the principal office of the Corporation not less than 60 days prior to the designated meeting date. The purpose of the meeting shall be the election of directors, passing upon reports for the previous year and transacting other business as may properly come before the meeting. It shall be the responsibility of the board of directors 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 Corporation.

SECTION 2. Special Meeting

Special meetings of the members may be called by any five directors, by the president, or by ten percent (10%) or more of all the members, and it shall thereupon be the duty of the secretary-treasurer to cause notice of the meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the counties of Campbell, Crook, Sheridan, Johnson or Weston, State of Wyoming, or at another location as specified in the notice of special meeting.

SECTION 3. Notice of Member's Meeting

Written or printed notice stating the place, day and hour of the meeting, and, in case of special meetings, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than thirty-five (35) days before the date of the meeting, either personally or by mail, by or at the direction of the secretary-treasurer or upon a default in duty of the secretary-treasurer by the persons calling the meeting, to each member. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his/her/its address as it appears on the records of the Corporation 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 member's meeting.

SECTION 4. Quorum

Ten percent (10%) of all members of the Corporation present in person or by proxy or one hundred (100) members present in person, whichever is fewer, shall constitute a quorum for the transaction of business at all meetings of the members. Member votes on mergers, consolidations, sale or disposition of assets and dissolutions shall be governed by these bylaws and Wyoming law.

SECTION 5. Voting

Each member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of the members. The election of directors shall be by ballot and each member may cast one (1) vote for the directors to be elected from each of the five (5) counties. There shall be no cumulative voting. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the certificate of incorporation or these bylaws. If husband and wife hold a joint membership they shall jointly be entitled to one (1) vote and not more upon each matter submitted to vote at a meeting of the members.

SECTION 6. Proxies

At all meetings of members, a member may vote by proxy executed in writing by the member. Any proxy so executed shall be accompanied with instruction from the member as to how that proxy shall be voted. A proxy with instructions shall be filed with the secretary-treasurer at such time as designated by the board of directors. The proxy shall be voted by the secretary-treasurer at the meeting in compliance with the instructions given by the members. Proxies must designate the particular meeting at which they are to be voted and no proxy shall be voted at any meeting other than the one so designated or any adjournment. No proxy shall be valid after sixty (60) days from the date of its execution. The presence of a member at a meeting shall entitle the member to revoke a proxy executed by a member and the member shall be entitled to vote at the meeting in the same manner and with the same effect as if the member had not executed a proxy.

SECTION 7. Order of Business

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

1. Report as to the number of members who are present in person in order to determine the existence of a quorum and the number of members represented by proxy.
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. Approval of unapproved minutes of previous meetings of the members.
4. Presentation and consideration of all necessary reports of the Corporation.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

DIRECTORS

SECTION 1. General Powers

The business and affairs of the Corporation shall be managed by a board of ten (10) directors and one director for each Class C member up to a maximum of four (4) Class C

directors which shall exercise all the powers of the Corporation except as are by law, the articles of incorporation or these bylaws, conferred upon or reserved to the members.

SECTION 2. Election and Tenure of Office

With the exception of Class C directors, all directors shall be elected by secret ballot at each annual meeting by and from the members of the corporation. The Class C directors shall be appointed by the Class C member's board of directors and shall have three (3) year terms. Ten (10) directors shall be elected with staggered terms as determined by the Board of Directors. Campbell, Crook, Johnson, Sheridan and Weston Counties shall have an equal number of directors on the board at all times. All directors shall be elected for three (3) year terms, except those who may be elected to fill unexpired terms. If an election of directors shall not be held on the day designated herein for the annual meeting or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members or at the next regular annual meeting. If the election is delayed until the next regular annual meeting, the term of each qualified director shall be extended one (1) year for each year the election is delayed. With the exception of Class C directors all other directors shall be elected by a plurality vote of the members present by proxy or in person at the Annual Meeting.

SECTION 3. Qualifications

Section 3.1

A nominee for a Powder River Energy Corporation director position must meet the following qualifications:

- (1) Must reside within the service territory of the county from which he/she is elected. However, members taking service outside the counties of Campbell, Crook, Johnson, Sheridan or Weston shall be deemed to be a member of and within the area served by the county closest to the nearest meter serving the members' residence;
- (2) Must be a member receiving electric energy from the Corporation; and
- (3) May not be in any way employed by or have a substantial financial interest in a competing enterprise or a business selling electric energy or supplies to the Corporation.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the board of directors shall remove the 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 of directors.

Section 3.2

A director from a Class C member must be a member of the board of directors of the Class C member.

SECTION 4. Nominations

It shall be the duty of the board of directors to appoint, not less than one hundred twenty (120) days before the date of the meeting of the members at which directors are to be elected, a committee on nominations consisting of two (2) members from each county holding an election. No member of the board of directors may serve on the committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Corporation at least ninety (90) days before the meeting a list of nominations for directors, which may include a greater number of candidates than are to be elected. Any twenty-five (25) or more members residing within the service territory in the county from which a candidate for director is to be elected may make nominations by petition at the principal office of the Corporation not less than fifty (50) business days prior to the meeting and the secretary-treasurer shall cause all nominations to be promptly posted at the same place where the list of nominations made by the committee is posted. The secretary-treasurer shall also cause to have mailed with the notice of meeting or separately

but at least seven days before the date of the meeting, a statement of the number of directors to be elected and the name and addresses of the candidates, specifying separately, the nominations made by the committee on nominations and also, the nominations made by petition, if any.

SECTION 5. Removal of Directors by Members

Any member may bring charges against a director and, by filing with the secretary-treasurer the charges in writing together with a petition signed by at least five percent (5%) of the members may request the removal of a director by reason thereof. Director(s) 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 the 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 him/her shall have the same opportunity. The question of the removal of a director shall be considered and voted upon at the meeting of the members.

SECTION 6. Vacancies

A vacancy occurring in the board of directors shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term. A Class C director vacancy shall be filled by appointment from the Class C board of directors.

SECTION 7. Compensation

Directors shall not receive any salary for their services as directors, except that by resolution of the board of directors, a fixed sum may be allowed for each day, or portion thereof, spent on Corporation business. If authorized by the board of directors, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out Corporation business.

SECTION 8. Removal of Director by Directors

A director may be removed by action of the remaining Board of Directors if the director to be removed has missed three (3) consecutive board meetings or failed to attend seventy-five percent (75%) of all board meetings during any one (1) calendar year. In the event of a vacancy occurring pursuant to this provision the vacancy shall be filled pursuant to Article IV, Section 6 of these bylaws.

ARTICLE V

MEETING OF DIRECTORS

SECTION 1. Regular Meetings

The regular meeting of the board of directors shall be held monthly at a time and place within the counties of Campbell, Crook, Johnson, Sheridan or Weston or at another location outside Campbell, Crook, Johnson, Sheridan or Weston County as the board of directors may provide by resolution.

SECTION 2. Notice of Directors Meetings

Written notice of the time and place of any meeting of the board of directors shall be delivered to each director either personally, by mail, or electronically. If mailed, notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his/her address as it appears on the records of the Corporation with postage thereon prepaid, at least five (5) days before the date set for the meeting. If delivered personally or electronically, the meeting may be held thereafter at any time.

SECTION 3. Special Meetings

Special meetings of the board of directors may be called by the president or by any three

(3) directors and it shall thereupon be the duty of the secretary-treasurer to cause notice of the meeting to be given as hereinafter provided. The president or the directors calling the meeting shall fix the method, time and place of the meeting.

SECTION 4. Quorum

A majority of the board of directors shall constitute a quorum, provided, that if less than a majority of the directors is present at any meeting, a majority of the directors present may adjourn the meeting. The secretary-treasurer shall cause notice to be given to any absent directors of the time and place of an adjourned meeting, as agreed upon by a majority of the board of directors present as provided in Section 2 of this Article. 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, except as otherwise provided in these bylaws.

ARTICLE VI

OFFICERS

SECTION 1. Number

The officers of the Corporation shall be a president, vice president and a secretary-treasurer, and other officers as may be determined by the board of directors.

SECTION 2. Election and Term of Office

Officers shall be elected by ballot or affirmative vote, annually by and from the board of directors at the next meeting of the board of directors which may be held immediately after the annual meeting of the members. Officers shall hold office until adjournment of the next annual meeting or until his/her successor(s) shall have been elected and shall have qualified. A vacancy in any office shall be filled by the affirmative vote of a majority of the remaining board of directors for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by Directors

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 interest of the Corporation will be served thereby. In addition, any member of the Corporation may bring charges against an officer or agent by filing with the secretary-treasurer charges in writing together with a petition signed by five percent (5%) of the members requesting the removal of the officer or agent. The officer or agent against whom charges have been brought shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence. The person or persons bringing the charges shall have the same opportunity.

SECTION 4. President

The president shall:

- (a) Be the principal executive officer of the board of directors and, unless otherwise determined by the board of directors, shall preside at all meetings of the members and board of directors;
- (b) Sign with the secretary-treasurer, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board of directors to be executed, except in case 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 Corporation or shall be required by law to be otherwise signed or executed; and in general perform all duties incident to the office of president and other duties as may be determined by the board of directors.

SECTION 5. Vice President

In the absence of the president, or in the event of his/her 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 restrictions upon the president. The vice president shall also perform other duties as may be assigned to him/her by the board of directors.

SECTION 6. Secretary-Treasurer

The secretary-treasurer shall be responsible for:

- (a) Keeping the minutes of the meeting of the members and of the board of directors 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 book and records and the seal of the Corporation and affixing the seal of the Corporation to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these bylaws;
- (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 articles of incorporation and bylaws of the Corporation containing all amendments thereof, which copy shall always be open to the inspection of any member, and at the expense of the Corporation to any member upon request;
- (f) Custody of all funds and securities of the Corporation;
- (g) Receipt of and the issuance of receipts for all monies due and payable to the Corporation and for the deposit of all monies in the name of the Corporation in a bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (h) In general performing all duties incident to the office of the secretary-treasurer and other duties as may be assigned to him/her by the board of directors.

SECTION 7. Chief Executive Officer

The board of directors may appoint a chief executive officer who may be, but who shall not be required to be a member of the Corporation. The chief executive officer shall perform those duties and shall exercise authority as the board of directors may vest in him/her.

SECTION 8. Bonds of Officers

The secretary-treasurer and any other officer or agent of the Corporation charged with responsibility for the custody of any of its funds or property shall be bonded as the board of directors shall determine. The board of directors may also require any other officer, agent or employee of the Corporation to be bonded, as it shall determine.

SECTION 9. Compensation

The powers, duties, expenses and compensation of directors, officers, agents and employees shall be fixed by the board of directors.

SECTION 10. Reports

The Corporation shall submit at each annual meeting reports covering the business of the Corporation for the previous year.

ARTICLE VII

DISPOSITION OF REVENUES AND RECEIPTS

SECTION 1. Interest or Dividends on Capital Prohibited

The Corporation shall at all times be operated on a non-profit basis for the mutual benefit of

its members. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its members.

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy

The Corporation's operations shall be conducted so all members through their patronage furnish capital for the Corporation. In order to induce patronage and to ensure that the Corporation will operate on a non-profit basis, the Corporation 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, provided however all Class C patronage shall be assigned based upon power supply patronage. All amounts in excess of operating costs and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the members as capital. Purchasers of the Corporation's services, other than purchasing electric energy, shall not be eligible for membership or patronage credits and are neither members nor patrons by virtue of their purchase of these services.

The Corporation is obligated to pay by credits to a capital account for each member all amounts in excess of operating costs and expenses. The books and records of the Corporation shall be set up and kept in 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 Corporation shall, within a reasonable time after the close of the fiscal year, notify each member of the amount of capital so credited to his/her account. All 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 Corporation corresponding amounts for capital.

All other amounts received by the Corporation from its operation in excess of costs and expenses shall, in so far as permitted by law be (a) used to offset any losses incurred during the current or any prior fiscal year and, (b) to the extent not needed for the purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as part of the capital credited to the account of its members, as herein provided.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority rights of the members. If, at any time prior to dissolution or liquidation, the board of directors shall determine that the financial condition of the Corporation will not be impaired thereby, the capital credited to members' accounts may be retired in full or in part. The board of directors shall determine the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. However, at the discretion of the board of directors, any member's capital account, which is less than \$20.00, may be retired in full without reference to capital first received or first retired.

Notwithstanding any other provision of the bylaws, if any member or former member fails to claim any cash retirement of capital credits or other payment from the Corporation within one (1) year after payment of the same has been made available by notice or check mailed at the last address furnished to the Corporation, such failure shall be and constitutes an irrevocable assignment and gift by the member of the capital credit or other payment to the Corporation. Failure to claim any payment within the meaning of the section shall include the failure by the member or former member to cash any check mailed by the Corporation to the last address furnished to the Corporation. The assignment and gift provided for under this section shall become effective only upon the expiration of two (2) years from the date when the payment has been made available to the 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 the payment is claimed within the sixty (60)

day period, the gift to the Corporation shall become effective. The notice by mail herein provided for shall be one mailed by the Corporation to the member or former member to the last known address and notice by publication shall be two (2) consecutive insertions in a newspaper circulated in the service area of the Corporation. The sixty (60) day period following the notice shall be deemed to terminate sixty (60) days after the mailing of the notice or sixty (60) days following the last date of publication thereof, whichever is later.

Capital credited to the account of each member shall be assignable only on the books of the Corporation pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or part of the member's premises served by the Corporation unless the board, acting under policies of general application, shall determine otherwise.

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 who was a natural person, or a member who was a natural person who has transferred capital credits to a trust or trustee for estate planning purposes, if the legal representatives of his estate or trust shall request in writing that the capital credited to any member be retired prior to the time the capital would otherwise be retired under the provision 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 application, and the legal representative of the members' estate shall agree upon; provided, however, that the financial condition of the Corporation will not be thereby impaired. The Corporation, shall have a lien against capital furnished by a member and, before retiring any capital credited to any member's account, shall deduct from any amount owing by the member to the Corporation, together with interest thereon at a reasonable rate as from time to time established by the board of directors and in effect when the amount became overdue.

The members of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Corporation and each member, and both the Corporation and the members are bound by this contract as fully as though each member had individually signed a separate instrument containing these terms and provisions.

ARTICLE VIII

DISPOSITION AND PLEDGING OF PROPERTY

SECTION 1. Disposition and Pledging of Property.

- (a) The Corporation shall not sell, lease or otherwise dispose of all or any substantial portion of its property, when the action is not in the regular course of activities, except as provided in this section.
- (b) Before a meeting is held to vote on approval of disposition of all or a substantial portion of the Corporation's property, the board of directors shall:
 - (i) Have the proposed disposition analyzed with respect to the effect on rates or utility services and the equity position of members. The analysis shall be performed by at least two (2) independent analysts with experience in utility rate setting and valuation of utility property;
 - (ii) Cause three (3) independent, non-affiliated appraisers, who are expert in these matters, to render their individual opinions as to the value of the Corporation with respect to any proposed sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered;

(iii) Notify all the Corporation's members, at least ninety (90) days in advance, of a meeting to vote on disposition of cooperative utility property, enclosing a summary of the proposal for disposition of the property with the notice, and make available to any member the full proposal for inspection and copying at the principal office of the Corporation; and

(iv) Mail to all members of the Corporation a summary of any alternate purchase proposal submitted within thirty (30) days of the meeting date, and make available to any member the full proposal for inspection and copying at the principal office of the Corporation.

- (c) A two-thirds (2/3) affirmative vote of all the members of the Corporation is required for any sale or disposition under this article.
- (d) The Corporation's ability and authority to sell, lease, or otherwise dispose of all or a substantial portion of its property when the action is not in the regular course of activities shall be subject to the contractual obligations of the Corporation with power suppliers and other third parties.

Section 2. Board Authorization.

The board of directors of the Corporation, without authorization by the members, shall have full power and authority to authorize the execution and delivery of mortgages, deeds of trust or other instruments which may pledge or encumber any or all of the Corporation's property, assets, rights, privileges, licenses, franchises and permits, whether acquired or to be acquired as well as the revenues and income of the Corporation upon terms and conditions as the board of directors may determine.

ARTICLE IX

SEAL

The Corporate Seal of the Corporation shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, (Wyoming)".

ARTICLE X

FINANCIAL TRANSACTIONS

SECTION 1. Contracts

Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, 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 Corporation shall be signed by an officer or officers, agent or agents, employee or employees of the Corporation and in a manner as shall be determined by resolution of the board of directors.

SECTION 3. Deposits

All funds, except petty cash, shall be deposited to the credit of the Corporation in banks, instruments, financial institutions, and other organizations as the board of directors may select.

SECTION 4. Change in Rates

Prior to a change in the rates to be charged by the Corporation for electric service, the

Corporation shall be required to comply with all notice requirements as set forth in the Corporation's mortgage(s) and as required by any regulatory authorities which may have jurisdiction over the Corporation's electric rates.

ARTICLE XI

MISCELLANEOUS

SECTION 1. Waiver of Notice

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

SECTION 2. Policy Rules and Regulations

The board of directors shall have power to make and adopt policies, rules, and regulations, consistent with law, the certificate of incorporation, or these bylaws, as it may deem advisable for the management of the business and affairs of the Corporation.

SECTION 3. Accounting System and Reports

The board of directors shall cause to be established and maintained a complete accounting system subject to applicable laws. Annually, the board of directors shall cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Corporation. A report of the audit shall be submitted to the members at the next annual meeting.

SECTION 4. Area Coverage

The board shall make diligent effort to see that electric and any other service(s) offered by the Corporation or its subsidiaries are extended to all persons who:

- (a) Desire service, and
- (b) Meet all reasonable requirements established by the Corporation as a condition of service.

ARTICLE XII

AMENDMENTS

These bylaws may be amended or repealed:

- (a) By a majority vote of the members voting either in person or by proxy, at an official meeting of the membership, when initiated by petition signed by at least five percent (5%) of the members.
- (b) By the board of directors, with a vote of at least two-thirds (2/3) of all directors, at a regular or special meeting of the board. Notice of the proposed bylaw amendment or repeal and the date of the board meeting at which an amendment or repeal will be considered shall be delivered to the members at least thirty (30) days prior to the meeting.



MEMBER SERVICE:

1-800-442-3630

9 a.m. – 5 p.m. (Monday–Friday)

POWER OUT?

1-888-391-6220



A Touchstone Energy® Cooperative 

SUNDANCE – CORPORATE HEADQUARTERS

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(800) 442-3630 Phone • (307) 283-3527 Fax

GILLETTE

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(800) 442-3630 Phone • (307) 682-0733 Fax

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PRECORP PURPOSE STATEMENT

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