

ARTICLE I. Members

Section I. Qualifications and Obligations.

Any person, firm, corporation, association, partnership, federal agency, state or political subdivision or body politic may become a member of the Cooperative by:

- (a) submitting to the Cooperative a completed written application for membership on the form approved by the Board of Directors;
- (b) agreeing to purchase from the Cooperative electric service as hereinafter specified; and
- (c) agreeing to comply with and be bound by the Articles of Incorporation of the Cooperative, these Bylaws and any amendments thereto, and such rules and regulations and written policies as are and as may from time to time be adopted by the Board of Directors, provided, however, that no entity shall become a member unless and until the applicant has been accepted for membership by the Board of Directors. No entity may own more than one (1) membership in the Cooperative.
- (d) two natural persons may jointly become a member and their application for a joint membership may be accepted in accordance with these Bylaws and Board Policies provided the applicants comply jointly with the provisions of the above subsections (a), (b), and (c).

The following provisions shall apply to the holders of a joint membership:

- (i) 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.
- (ii) A joint membership shall be entitled to one vote which shall not be divided. The vote of a joint membership may be cast by either of the holders of the membership unless the Cooperative is notified in writing prior to voting that the holders of the joint membership are in disagreement as to voting, in which case the Cooperative shall then require the holders of the joint membership to vote jointly.
- (iii) A waiver of notice signed by either or both shall constitute a joint waiver.
- (iv) Notice to either shall constitute notice to both.
- (v) Expulsion of either shall terminate the joint membership.
- (vi) Withdrawal of either shall terminate the joint membership.
- (vii) Either but not both may be elected or appointed as an Officer or Board Member, provided that the person seeking office meets the qualifications for such office.
- (viii) All deposits and refundable fees or contributions paid to and held by the Cooperative in

connection with any service to a joint membership and all capital credits allocated to such joint members shall be deemed owned by the joint members in joint tenancy unless such ownership is changed by written instrument delivered to the Cooperative in accordance with such policies and rules as the Cooperative may adopt.

Section 2. Membership.

The membership shall be activated when a member is receiving electric service at an account in the member's name.

Section 3. Purchase of Electric Service.

Each member shall, as soon as electric service shall be available, purchase from the Cooperative electric service to be used on the premises referred to in the application of such member for membership and shall pay therefore monthly or at such other times as may be otherwise specifically provided in any written contract between the member and the Cooperative at rates which shall from time to time be fixed by resolution of the Board of Directors; provided, however, that the electric energy which the Cooperative shall furnish to any member may be limited to such an amount as the Board of Directors shall from time to time determine and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Directors from time to time, regardless of the amount of electric energy consumed. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Cooperative as and when the same shall become due and payable.

Section 4. Non-liability for Debts of the Cooperative.

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

Section 5. Expulsion of Members.

The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the Directors, expel any member who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Cooperative or these Bylaws or any rules, regulations or written policies adopted from time to time by the Board of Directors.

Section 6. Withdrawal of Membership.

Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the board of directors may prescribe.

Section 7. Transfer and Termination of Membership.

(a) Membership in the Cooperative and a certificate representing the same shall not be transferable except as herein provided, and upon death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate and the certificate of membership of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release the member from debts or liabilities of

such member to the Cooperative nor affect the right, title and interest of the member in the assets of the Cooperative.

(b) The membership of any member of the Cooperative shall be automatically terminated in the event such member fails to receive electric service from the Cooperative.

(c) Upon written request to the Cooperative signed by the member and, if married, signed also by his or her spouse, a membership may be transferred by the member to his or her spouse, or jointly to such member and any other natural person and upon joint compliance by the transferees with provisions of subdivisions (b) and (c) of Section 1 of this Article. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership noted on the original certificate representing the membership so transferred.

(d) When a membership is held jointly, upon the death of either joint member, such membership shall be deemed to be held solely by the survivor, with the same effect as though such membership had been originally issued solely to such survivor and the joint membership certificate may be surrendered by the survivor and upon the recording of such death on the books of the Cooperative. The certificate may be reissued to and in the name of such survivor; provided, however, that the estate of the deceased joint member shall not be released from any membership debts or liabilities to the Cooperative.

(e) Upon the legal separation or divorce of the holders of a joint membership, absent agreement of the parties, such membership shall be reissued in the name of the party who remains in or continues to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint.

Section 8. Removal of Directors and Officers.

Any member may bring charges against an officer or Director by filing them in writing with the Secretary, together with a petition signed by at least ten percent (10%) of the members of the Cooperative requesting the removal of the officer or Director in question. Such petition shall specify with particularity the charges against the officer or Director whose removal is sought. No officer or Director shall be subject to removal hereunder except for conduct of such officer or Director which is inimical or detrimental to the interests of the Cooperative. Upon receipt of such petition, the Secretary shall immediately deliver or cause to be delivered, a copy thereof to the Director or officer whose removal is sought. If the Secretary receives such petition at least thirty (30) days, but not more than sixty (60) days, prior to the next Annual Meeting of the Members, the matter of the removal of such officer or Director shall be placed upon the agenda for such Annual Meeting to be acted upon by the members at such Annual Meeting. If the Secretary receives such petition at any other time the Secretary shall promptly call a Special Meeting of the Members to act upon such petition. Notice of such Special Meeting shall be given to all members at the time and in the manner provided in Article II, Section 3, of these Bylaws. The question of removal of such officer or Director shall be voted upon at such Annual or Special Meeting of the Members of the Cooperative, after a hearing conducted at such meeting, and during such hearing any member and the officer or Director sought to be removed shall be entitled to be heard and present evidence and may be represented by legal counsel. Any vacancy in any office created as a result of the removal of any officer of the Cooperative shall be

filled by the Board of Directors of the Cooperative promptly following the meeting at which said officer is removed. Any vacancy created in the Board of Directors as the result of the action of the members of the Cooperative in removing said Director shall be filled by the members of the Cooperative at the Annual or Special Meeting of the Members of the Cooperative at which such Director is removed. No member of the Cooperative shall be eligible to fill the vacancy on the Board of Directors of the Cooperative, unless such member meets all other requirements and qualifications of such office. Any Director so elected by the members of the Cooperative pursuant to this section shall serve as a member of the Board of Directors only until the expiration of the term of office for which the Director who has been removed was elected.

ARTICLE II

Meetings of Members

Section 1. Annual Meeting.

The Annual Meeting of the members shall be held between the 15th day of October and the 30th day of November, inclusive, of each year, at such place within the service area of the Cooperative as shall be determined, from time to time, by the Board of Directors and as shall be designated in the notice of the meeting for the purpose of electing Directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting. If the day fixed for the Annual Meeting shall be a Sunday or a legal holiday, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any 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 as soon thereafter as conveniently may be. 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 at least three (3) Directors or upon a written request signed by at least ten percent (10%) of all the members and it shall then be the duty of the Secretary to cause notice of such meeting to be given as herein provided. Special Meetings of the Members may be held at any place within the service area of the Cooperative specified in the notice of the Special Meeting.

Section 3. Notice of Members' Meeting.

Written or printed notice of any meeting of the members stating the place, date and hour of the meeting, and, in the case of a Special Meeting, the purpose or purposes for which such Special Meeting is called, shall be delivered to each member entitled to vote at such meeting not less than ten (10) nor more than fifty (50) days before the date of the meeting by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting.

Any such written notice shall be deemed to have been delivered if, within the time period above mentioned (1) such written notice is personally delivered to the member, or (2) such written notice is deposited in the United States mail addressed to the member at his/her address as it appears on the records of the Cooperative, with postage paid thereof, or (3) such written notice is conspicuously displayed in a publication such as a magazine, newsletter or like publication and such publication is deposited in the United States mail addressed to the member at his address as

it appears on the records of the Cooperative, with postage paid thereon.

The failure of any member to receive such written notice of any meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum.

The members present at regular Annual Meetings of the Members shall constitute a quorum for the transaction of business at such meeting.

At Special Meetings of the Members not less than seventy-five (75) members present shall constitute a quorum for the transaction of business at such meeting.

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. 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, except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these Bylaws. If two natural 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 as provided in Article I, Section 1, of these Bylaws.

The election of Directors shall be by ballot on which each member voting may designate the name or names of the candidate or candidates from each District said member desires to vote for but in no case more than the number of Directors to be elected from each District, and in balloting for Directors, each member shall have the right to cast as many votes as there are Directors to be elected at such election, but each member may cast only one vote for each position. Cumulative voting shall not be allowed.

Qualified candidates receiving the highest number of votes for each Director position shall be elected for the term specified in Section 3 (a) of Article III of these Bylaws; all tie votes will be resolved by drawing lots.

Section 6. 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:

1. Call of the roll.
2. Reading of the notice of the meeting and proof of the 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, and acting upon, reports of officers, Directors and committees.

5. Election of Directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE III

Directors

Section 1 (a). General Powers.

The business and affairs of the Cooperative shall be managed by a Board, which shall be reduced from the present nine (9) directors to seven (7) directors as hereinafter set forth. The Board of Directors shall exercise all of the powers of the Cooperative except such as are by law or by the Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members.

Section 1 (b). Reduction in Board Size.

In order to accomplish the reduction of Board size from the present nine (9) directors to seven (7) directors, the number of present directors shall be reduced only by death or voluntary resignation of an active Board member. Until such time as the Board of Directors is reduced to seven (7) members, any present Board member who dies or resigns shall not be replaced.

Section 2. Districts Defined.

DISTRICT NO. 1

The West line of said area is the West line of Range 2 W.B.M. extending from the North line of Township 41 N. to the North line of Township 40 N.; thence along the Eastern border of the State of Washington for two (2) sections in a Southerly direction in the State of Idaho; thence along the West line of Range 44 E.W.M. extending from the North line of Township 15 N. to the South line of Township 12 N. in the State of Washington.

The South line of said area is the South line of Township 12 N. to the Snake River and along the North shore of the Snake River in the State of Washington; thence along the North shore of the Clearwater River to the mouth of the Potlatch Creek; thence along the North shore of Potlatch Creek to the South line of Latah County; thence along the South line of Latah County to the West line of Clearwater County in the State of Idaho.

The East line of said area is the West line of Clearwater County from the South line of Latah County to the South line of Shoshone County in the State of Idaho.

The North line of said area is the North line of Township 41 N. from the West line of Clearwater County to the East line of Range 3 W.B.M.; thence along the North line of Township 40 N. to the Washington State line in the State of Idaho; thence along the North line of Township 15 N. to

the West line of Range 44 E.W.M. in the State of Washington.

DISTRICT NO. 2

Starting in the State of Washington the West line of said area is the West line of Range 44 E.W.M. from the South line of Township 12 N. to the North line of Township 9 N.; thence West along the North line of Township 9 N. to the West side of Range 43 E.W.M.; thence South along the West line of Range 43 E.W.M. to the North line of Township 6 N.; thence West along the North line of Township 6 N. to the West line of Range 42 E.W.M. in the State of Washington; thence South along the West line of Range 42 E.W.M. to the South line of Township 5 N. in the State of Oregon.

The South and East line of said area is the South line of Township 5 N. from the West line of Range 42 E.W.M. East to the Snake River in the State of Oregon; thence North along the East shore of the Snake River from the South line of Township 5 N. in the State of Oregon to the South line of Township 32 N. in the State of Idaho; thence East along the South line of Township 32 N. to the West line of Lewis County; thence following the boundary between Nez Perce and Lewis Counties in a Northerly then Easterly direction to the East line of Nez Perce County; thence in a Northerly direction to the South line of Latah County.

The North line of said area is the South line of Latah County extending from the Boundary line between Clearwater and Nez Perce Counties West to Potlatch Creek; thence along the North shore of Potlatch Creek to the Clearwater River; thence along the North shore of the Clearwater River to the Snake River in the State of Idaho; thence West along the North shore of the Snake River to the South line of Township 12 N. in the State of Washington; thence West along the South line of Township 12 N. to the West line of Range 44 E.W.M.

DISTRICT NO. 3

The West line of said area is the West boundary of Clearwater and Lewis Counties extending from the North line of Township 41 N. to the South line of Township 32 N. in the State of Idaho.

The South line of said area is the South line of Township 32 N. extending from the West line of Lewis County to the East line of Range 4 E.B.M. in the State of Idaho.

The East line of said area is the East line of Range 4 E.B.M. extending from the South line of Township 32 N. to the North line of Township 41 N. in the State of Idaho.

The North line of said area is the North line of Township 41 N. extending from the East line of Range 4 E.B.M. to the West line of Clearwater County; thence along the South line of Latah County to the East line of Nez Perce County; thence along the boundary line between Nez Perce and Lewis Counties in a Westerly direction to the West line of Lewis County in the State of Idaho.

DISTRICT NO. 4

The West line of said area is the West line of Range 44 E.W.M. extending from the North line of Township 21 N. to the North line of Township 15 N. in the State of Washington. The South line of said area is the North line of Township 15 N. from the West line of Range 44 E.W.M. to the

State line in the State of Washington; thence along the South line of Township 41 N. from the Washington State line to the East line of Range 3 W.B.M.; thence along the North line of Township 41 N. to the East line of Range 4 E.B.M. in the State of Idaho.

The East line of said area is the East line of Range 4 E.B.M. extending from the North line of Township 41 N. to the North line of Township 46 N. in the State of Idaho.

The North line of said area is the North line of Township 46 N. extending from the East line of Range 4 E.B.M. to the Washington State line in the State of Idaho; thence along the North line of Township 21 N. to the West line of Range 44 E.W.M. in the State of Washington.

Section 3 (a). Qualifications and Tenure of Directors.

Each Director shall serve a term of three (3) years and until the successor shall have been duly elected and qualified unless earlier removed pursuant to the terms of these Bylaws.

A member shall be eligible to become or remain a Director if they maintain an account in the District for which they are to be elected and reside in that District. If a Director ceases to maintain an account or reside in the District in which he/she was elected, the Board may declare the office of said Board Member vacant and fill the vacancy in accordance with the provisions of Section 4 of this Article.

If a member of the Board of Directors fails to attend three (3) consecutive regular meetings of the Board, the Board may declare the office of said Board Member vacant and fill the vacancy in accordance with the provisions of Section 4 of this Article.

No member of the Cooperative shall be eligible to become or remain a Director, or to 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 materially financially interested in a competing enterprise or business, or an enterprise or business selling electric energy or supplies to the Cooperative. If a Director moves from his/her District or otherwise becomes disqualified by this provision, the Board may declare the office of said Board member vacant and fill the vacancy in accordance with the provisions of Section 4 of this Article.

No employee of Clearwater Power Company or a Director or employee of a competing firm selling energy shall be eligible to become a Director during the course of his/her employment or for a period of five (5) years after the last day of employment with Clearwater Power Company or said competing firm.

Section 3 (b). Nominations.

It shall be the duty of the Board of Directors to appoint, at a meeting held in July of each year, a committee on nominations consisting of one member of the Cooperative residing in each of the Districts of the Cooperative as those Districts are defined in Article III, Section 2 of these Bylaws, and one member at large. No 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 Cooperative at least thirty

(30) days before the meeting, a list of nominees for Directors as nominated by said committee. The Secretary shall mail with the notice of such meeting a statement of the number of Directors to be elected showing the nominations made by the committee. Nothing contained herein shall, however, prevent additional nominations to be made from the floor at the meeting of the members. The members may, at any meeting at which a Director or Directors shall be removed by a vote of the members as herein provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of Directors.

Section 3 (c). Elections.

At such time as the Board of Directors is reduced to seven (7) members, the Board of Directors of the Cooperative shall consist of one (1) Director who shall reside in each District and three (3) Directors at-large residing in any district. At such time as the Board of Directors is reduced to seven (7) Directors, no district shall have more than one at-large Director unless such district had more than two (2) Directors residing in the district at the time these Bylaws were amended to reduce the Board of Directors to seven (7) Directors. In such case, the number of Directors in said district shall only be reduced by attrition.

As the term of each present Director's position expires, the successor, which may be the same Director by reelection, shall be elected by a majority vote of the voting members at the Annual Meeting to serve for a period of three (3) years, or until a successor shall have been elected and qualified. At such time as the Board is reduced to seven (7) Directors, the longest-serving Director in each district shall be considered the "resident" Director and the remaining Director(s) shall be considered at-large. Election for a resident Director shall be separate from that of the at-large Directors. The respective term of all present-serving Directors shall remain unchanged. At such time as the Board of Directors is reduced to seven (7) Directors, the Directors shall run for reelection as either the resident Director or at-large Director, as the case may be. The election for the resident Director of each District shall be a separate election from the at-large election. In the at-large elections at each Annual Meeting, the candidate or candidates receiving the highest number of votes shall be elected for the term. At the conclusion of each annual election, for each district having two (2) Directors who reside therein, the position of "resident" Director or "at large" Director shall be re-determined with the longest serving Director being considered the "resident" Director.

Section 4. Vacancy

Subject to the provisions of these bylaws with respect to the removal of Directors, vacancies occurring on the Board of Directors shall be filled by a majority vote of the remaining Directors. No member of the Cooperative shall be so elected to the Board to fill any such vacancy unless such member be a resident of the District in which the Director whose death or resignation created such vacancy was a resident. Any Director so elected by the Board of Directors to fill such vacancy shall serve until the next Annual Meeting of the members of the Cooperative. At such Annual Meeting the members of the Cooperative shall elect a member of the Cooperative who resides in the same District as the Director whose death or resignation created such vacancy, and the member so elected at such Annual Meeting shall serve as a member of the Board of Directors only until the term of office for which the Director whose death or resignation created

such vacancy was elected shall expire.

Section 5. Compensation.

Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors, a fixed sum, which may include insurance benefits and expenses of attendance, if any, may be allowed for attendance at any meeting of the Board of Directors or meetings of associated organizations attended by any Directors as authorized by the Board. Except in emergencies, no Director or any close relative of a Director shall receive compensation for serving the Cooperative in any other capacity unless and until such compensation shall be specifically authorized by at least a two-thirds vote of the Board.

Section 6. Rules and Regulations.

The Board of Directors shall have power to make and adopt such policies and rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 7. 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 Cooperative may be examined by a committee of the Board of Directors which may render reports at regular Board Meetings of the Board. The Board of Directors shall also 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 Cooperative as of the end of such fiscal year. Such audit reports or summaries thereof shall be submitted to the members at the following Annual Meeting.

**ARTICLE IV.
Meetings of Directors**

Section 1. Regular Meetings.

A regular meeting of the Board of Directors may be held monthly at such time and place in Nez Perce County, State of Idaho, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings.

Special meetings of the Board of Directors may be called by the President 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 (which place shall be within the service area of the Cooperative), 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

given at least five (5) days previous thereto, by reasonable notice, delivered personally, by facsimile, or mailed, to each Director at his/her last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage 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.

Any action that may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors. Such consent shall have the same effect as a unanimous vote.

ARTICLE V. 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 of directors 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 officers shall be elected 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. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. 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 his/her 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.

Whenever, in the judgment of the Board of Directors, the best interests of the Cooperative will be served thereby, any officer elected by the Board of Directors may be removed from office by the vote of at least two-thirds (2/3) of the Directors and the appointment of any agent previously selected by the Board of Directors may be rescinded or otherwise terminated by the majority vote of a quorum of Directors.

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:

(a) shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors;

(b) may sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c) in general shall perform all duties incident to the office of the 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, or in the event of the President's 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 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:

(a) keep the minutes of the members of the Board of Directors in one or more books provided for that purpose;

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

(c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;

(d) keep a register of the address of each member which shall be furnished to the Secretary by such member;

(e) sign with the President certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors unless said action is delegated pursuant to the terms of Section 5 (b);

(f) have general charge of the books of the Cooperative in which a record of the members is kept;

(g) keep on file at all times a complete copy of the Bylaws of the Cooperative containing all amendments, properly certified by a majority of the Directors and the Secretary, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative forward a copy of the Bylaws and all amendments to each member; and

(h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 8. Treasurer.

The Treasurer shall:

(a) have charge and custody of and be responsible for all funds and securities of the Cooperative;

(b) receive or cause to be received and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit 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;

(c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

Section 9. Manager.

The Board of Directors may appoint a Manager who may be, but shall not be required to be, a member of the Cooperative. The Manager shall perform such duties as the Board of Directors may from time to time require, and shall have such authority as may from time to time be vested by the Board of Directors.

Section 10. Bonds of Officers.

The Board of Directors shall require the Treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond at the cost of the Cooperative in such sums and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond at the cost of the Cooperative in such amount and with such surety as it shall determine.

Section 11. Compensation.

The compensation, if any, of any officer, agent or employee who is also a Director or close relative of a Director shall be determined as provided elsewhere in these Bylaws, and the powers, duties, and compensation of any other officer, agents and employees shall be fixed by the Board of Directors; provided that the Board may authorize the Manager to fix the powers, duties and compensation of agents and employees within limits from time to time established by the Board.

Section 12. 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 and showing the condition of the Cooperative 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 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 Cooperative, 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 Cooperative shall be signed 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 of Directors.

Section 3. Deposits.

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

ARTICLE VII.

Membership Certificates

Section 1. Certificate of Membership.

Membership in the Cooperative shall be evidenced by a Certificate of Membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Articles of Incorporation of the Cooperative or these Bylaws, and the Corporate Seal shall be affixed thereto.

Section 2. Lost Certificate.

In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE VIII.

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 patrons. No interest or dividend shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. Patronage in Connection with Furnishing Electric Energy.

In furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy. 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 patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year commencing in 1953, the amount of capital, if any, so furnished by each patron is clearly reflected in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his/her account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash pursuant of a legal obligation to do so and the patron had then furnished the Cooperative the corresponding amount of capital.

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 fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness shall have been paid, outstanding capital credits shall be retired without priority on a pro-rata basis. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereof, the capital then credited to patrons' accounts may be retired in full or in part subject to the limitations set forth herein below.

The Cooperative shall not, including retirement of a decedent's capital credits, retire any capital credits unless after the proposed retirement the equity of the Cooperative shall equal at least thirty percent (30%) of the Cooperative's total assets. Any such retirements of capital credits shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired; provided, however, that beginning with the year 1998, cash made available for retirement in any year may be used, in whole or part, to retire capital furnished by all patrons during the most recent fiscal year.

Capital credited to the accounts of each patron shall be assigned 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 patrons' premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these Bylaws, the Board of Directors, in its discretion, shall have the power at any time upon the death of any patron who is a natural person, if the legal representatives of his/her estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to such patron, subject to any such terms and conditions as the

Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract as fully as though each patron 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 patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

**ARTICLE IX.
Waiver of Notice**

Any member or any director may waive, in writing, any notice of meeting required to be given by these Bylaws.

**ARTICLE X.
Disposition of Property**

The Cooperative 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 Cooperative system and facilities; provided, however, that all sales of such property shall not, in any one (1) year exceed in value ten percent (10%) of the value of all the property of the Cooperative;
- (b) Services of all kinds, including electric service.

Notwithstanding anything herein contained, the Board of Directors, without authorization by the members, shall have full power and authority to borrow money from the United States of America, or any agency or instrumentality thereof, or any corporation, cooperative association, or other organization of which this Cooperative is a member or shareholder thereof, and in connection with such borrowings, 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 encumbrances 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, all upon such terms and conditions as the Directors shall determine.

**ARTICLE XI.
Fiscal Year**

The fiscal year of the Cooperative shall be as fixed, from time to time, by the Board of Directors.

ARTICLE XII.
Membership in Other Organizations

The Directors shall have full power and authority on behalf of the Cooperative to purchase stock in, or to become a member of any corporation, association or cooperative for the purpose of advancing or protecting the interests of Clearwater Power Company.

ARTICLE XIII.
Seal

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Idaho".

ARTICLE XIV.
Indemnification of Officers, Directors, Attorneys, Employees and Agents

Section 1.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of, the Cooperative) by reason of the fact that such person is or was a Director, Officer, Employee, or Agent of the Cooperative, or who is or was serving at the request of the Cooperative as a Director, Officer, Employee, or Agent of another cooperative, association, corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

Section 2.

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suite by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a Director, Officer, Employee, Attorney or Agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a Director, Officer, Employee, or Agent of another cooperative, association, corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to the best interests of the Cooperative, and except that no indemnification shall be made in respect of any claim, issue or

matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification of such expenses as the court shall deem proper.

Section 3.

To the extent that a Director, Officer, Employee, Attorney, or Agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in Sections (1) and (2), in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 4.

Any indemnification under Sections (1) and (2) (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the Director, Officer, Employee, Attorney or Agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections (1) or (2). Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion, or (3) by the members.

Section 5.

Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit, or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of an undertaking by or on behalf of the Director, Officer, Employee, Attorney or Agent to repay such amount, unless it shall ultimately be determined that he/she is entitled to be indemnified by the Cooperative as authorized in this Article.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote or members or disinterested Directors, or under any law, or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, Employee, Attorney or Agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person.

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, Employee, Attorney or Agent of the Cooperative, or who is or was serving at the request of the Cooperative as a Director, Officer, Employee, or Agent of another cooperative, association, corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

ARTICLE XV.
Amendments

The Bylaws of the Corporation may be amended as provided by the laws of the State of Idaho; provided that no Bylaw shall be altered, repealed or amended at any Annual or Special Meeting of the Members of the Cooperative unless the notice of such Annual or Special Meeting includes, or is accompanied by, a copy of any such proposed Bylaw amendment or alteration to be presented at such meeting or includes notice that a proposal to repeal a specific Bylaw or Bylaws will be acted upon at such meeting.

Provided that any proposal from a cooperative member(s) to amend, alter, or repeal any existing Bylaws must be presented to Clearwater Power Company in writing at the Lewiston headquarters building on or before July 31st at 5:00 p.m., in order to be included on the agenda for the Annual Meeting of Members for that calendar year.

Any alteration, amendment or repeal of the Bylaws must be certified by a majority of the Directors and the Secretary of the Cooperative, and recorded in the book of Bylaws kept in the registered office of the Cooperative.

**ARTICLES OF INCORPORATION OF CLEARWATER VALLEY LIGHT & POWER
ASSOCIATION, INC.**

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, natural persons of full age and citizens of the United States and of the State of Idaho, for the purpose of forming a non-profit cooperative association pursuant to the provisions of Chapter X of Title XXIX, Idaho Code, Annotated, 1932, and all laws amendatory thereof and supplemental thereto, do hereby certify as follows:

ARTICLE I.

The name of this Corporation is: "CLEARWATER POWER COMPANY".

ARTICLE II.

The purpose or purposes for which the Corporation is formed are:

- (a) For all legal purposes including, but not limited to generate, manufacture, purchase, acquire and accumulate electric energy for its members and to transmit, distribute, furnish, sell and dispose of such electric energy, and to construct, erect, purchase, lease as lessee and in any manner acquire, own, hold, maintain, operate, sell, dispose of, lease as lessor, exchange and mortgage plants, buildings, works, machinery, supplies, apparatus, equipment and electric transmission and distribution lines or systems necessary, convenient or useful for carrying out and accomplishing any or all of the foregoing purposes;
- (b) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights of way and easements necessary, useful or appropriate to accomplish any or all of the purposes of the Corporation;
- (c) To purchase, receive, lease as lessee, or in any other manner to acquire, own, hold, maintain, use convey, sell, lease as lessor, exchange, mortgage, pledge or otherwise dispose of any and all real and personal property, tangible or intangibles, or any interest therein necessary, useful or appropriate to enable the Corporation to accomplish any or all of its purposes;
- (d) To consult with and advise its members in the wiring of their premises and the installation thereon of electrical and plumbing appliances, fixtures, machinery, apparatus and equipment of all kinds and character such as are applicable to the use of electric energy, the supplying of water and disposal of sewage, in order to promote the efficient use of electric energy;
- (e) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for moneys borrowed or in payment for property acquired or for any of the other objects or purposes of the Corporation and to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or by the pledge of or other lien upon, all or any of the property, rights, privileges or permits of the Corporations, wheresoever situated, acquired or to be acquired; and to receive, acquire, endorse, pledge, guarantee, hypothecate, transfer or otherwise dispose of notes and other evidences of indebtedness and all security therefor;

(f) To do and perform, either for itself or its members, any and all acts and things, and to have and exercise any and all powers, as may be necessary or convenient to accomplish any or all of the foregoing purposes or as may be permitted by the Act under which the Corporation is formed in the State of Idaho and in any other state of the United States of America.

ARTICLE III.

The Corporation shall have perpetual existence.

ARTICLE IV.

The location and post office address of the registered office of the corporation is Lewiston, County of Nez Perce, Idaho.

ARTICLE V.

Section 1. The Corporation is formed not for profit and shall have no capital stock.

Section 2. The undersigned incorporators shall be members in the Corporation. In addition to the undersigned incorporators, any person, firm or corporation or body politic may become a member in the Corporation by: (a) paying in full such membership fee as shall be specified in the Bylaws of the Corporation; (b) agreeing to purchase from the Corporation the amount of electric energy specified in the Bylaws; and (c) agreeing to comply with and be bound by these Articles of Incorporation, and the Bylaws of the Corporation and any amendments thereto, and by such rules and regulations and written policies as may from time to time be adopted by the Board of Directors of the Corporation; provided, however, that no person, firm, corporation or body politic except the undersigned incorporators or any person, firm, corporation or body politic accepted for membership by the members at any meeting thereof, shall become a member in the Corporation unless and until he/she or it has been accepted for membership by the affirmative vote of a majority of the members of the Board of Directors of the Corporation. No person, partnership or corporation shall own more than one (1) membership in the Corporation.

Section 3. Each member shall as soon as electric energy shall be available, purchase electric energy from the Corporation as provided in the Bylaws of the Corporation, and pay therefore as provided in said Bylaws at rates which shall from time to time be fixed by resolution of the Board of Directors. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Corporation as and when the same become due and payable.

Section 4. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at any meeting of the members at which a quorum is present and questions shall be decided by a vote of a majority of the members present. The election of Directors shall be conducted in the manner prescribed in the Bylaws of the Corporation. Cumulative voting for election of Directors shall not be permitted.

Section 5. Except as otherwise expressly provided in the Bylaws, at regular Annual Meetings of the Members of the Corporation at least twenty percent (20%) of the total number of members of the Corporation present shall constitute a quorum for the transaction of business at such meetings

so long as the number of members does not exceed one hundred (100) and in case the number of members exceeds one hundred (100), then, and in such case, the members present at regular Annual Meetings of the Members shall constitute a quorum for the transaction of business at such meetings.

Section 6. Except as otherwise expressly provided in the Bylaws, at Special Meetings of the Members at least twenty percent (20%) of the total number of members of the Corporation present shall constitute a quorum for the transaction of business at such meetings so long as the number of members does not exceed three hundred (300) and in case the total number of members exceeds three hundred (300), then, and in such case, not less than seventy-five (75) members present, shall constitute a quorum for the transaction of business at such meetings.

Section 7. The Bylaws of the Corporation may define and fix the duties and responsibilities of the members and prescribe such other terms and conditions upon which members shall be admitted to and retain membership in the Corporation not inconsistent with these Articles of Incorporation or the Act under which the Corporation is organized.

ARTICLE VI.

The names and post office addresses of the incorporators are as follows:

Names	Post Office Addresses
P.J. Miller	- Lewiston, Idaho
John George	- Culdesac, Idaho
K. Summers	- Lenore, Idaho
L. P. Teats	- Reubens, Idaho
Dan Lyle	- Peck, Idaho

ARTICLE VII.

The Corporation shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. The Corporation's operations shall be so conducted that all patrons will through their patronage furnish capital for the Corporation in the manner prescribed in the Bylaws. No interest or dividend shall be paid or payable by the Corporation on any capital furnished by its patrons. The Corporation shall account on a patronage basis to all its patrons for all amounts received and receivable by the Corporation from the furnishing of electric energy as provided in the Bylaws.

ARTICLE VIII.

Section 1. The Directors of the Corporation shall be members of the Corporation.

Section 2. The Bylaws of the Corporation may be amended as provided by the laws of the State of Idaho.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed our seals this 26th day of April, 1937.

_____/S/ P. J. MILLER (SEAL)

_____/S/ JOHN GEORGE (SEAL)

_____/S/ K. SUMMERS (SEAL)

_____/S/ L. P. TEATS (SEAL)

_____/S/ DAN LYLE (SEAL)

STATE OF IDAHO)
 : ss
COUNTY OF NEZ PERCE)

On this 26th day of April, 1937, before me, Edward C. Butler, a Notary Public in and for said State, personally appeared P. J. MILLER, JOHN GEORGE, K. SUMMERS, L. P. TEATS, and DAN LYLE, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year first above written.

_____/S/ EDWARD C. BUTLER (SEAL)
Notary Public in and for the State of Idaho, residing at Lewiston therein. My Commission expires September 14, 1937.

Filed with Secretary of State...April 30, 1937.
Filed with Nez Perce County...May 4, 1937.