

ARTICLE VI. MEMBERSHIP - ELIGIBILITY, RIGHTS, LIABILITIES AND RULES

Section 1. Membership. Any person, partnership, firm, limited liability company, business trust, personal trust, estate, association, corporation, body politic or subdivision thereof, or other multiple ownership type of business structure (herein "Consumer") which shall be, during all times that said Consumer is being served electric power and energy (hereinafter referred to in these By-Laws as "electric service") by the Corporation, a member thereof. The purpose of this Section is to assure that all Consumers being served electric service by this Corporation are members with full voting rights and privileges. The Board may in its sole discretion authorize sales and/or services, other than electric service, on a non-member patronage or non-patronage basis.

Section 2. Membership Certificates. Membership in the Corporation shall be evidenced by a membership certificate or card which shall constitute a certificate which shall be determined by the Board. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms as the Board may prescribe.

Section 3. Membership Name. Memberships shall be issued only in the name of the Consumer as stated on the application or service contract. With regard to memberships held in the name of a married person, the following rules shall apply:

1. The presence at a meeting of either the member or the spouse of a member shall constitute a joint waiver of notice of the meeting;
2. The vote of either the member or the spouse of the member shall constitute one vote, and the spouse of a member shall have the right to vote only in the absence of the member;

3. A waiver of notice signed by either the member or the spouse of the member shall constitute a waiver by the member;

4. Notice to either the member or the spouse of the member shall constitute notice to the member;

5. Termination of any membership shall terminate the interest of the spouse of the member;

6. Either the member or the spouse of the member may be elected or appointed as an officer or Director, provided that the person appointed or elected meets the qualifications for such office; and

7. The presence at a meeting of either the member or the spouse of the member shall constitute the presence of a member for purposes of establishing the presence of a quorum.

Section 4. Conversion of Membership Upon Death. Upon the death of a member, the membership may be transferred to the surviving spouse or as designated by the Personal Representative of the Estate of the deceased. The transfer of such membership shall not release the estate of the deceased from any debts due the Corporation.

Section 5. Membership and Service Connection Fees. There shall be no membership fee and service connection fees shall be as provided in the rates, rules and regulations of the Corporation.

Section 6. Purchase of Electric Service. Each member who purchases electric service (i.e. electric power and energy) from the Corporation shall pay therefor monthly rates which shall from time to time be fixed by the Board; provided, however, that the Board may limit the amount of electric service which the Corporation shall be required to

furnish to any one member. It is expressly understood that amounts paid for electric service in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these By-Laws. Each member shall pay to the Corporation such minimum amount per month regardless of the amount of electric service consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him to the Corporation as and when the same shall become due and payable.

Section 7. Termination of Membership.

1. Membership may be terminated for the following:
 - (a) Failure to pay electric bill pursuant to Corporation policy and procedure;
 - (b) Written request by the member for termination of membership;
 - (c) Death of natural person who is a member, together with notice of such death by a representative of the deceased; and
 - (d) Dissolution of legal existence of a member not a natural person.
2. Any renewal of membership must be pursuant to a new membership application.
3. Termination of membership of any member does not release the debt for electric service which has been provided.

Section 8. 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 9. Customers Must be Members. No person, partnership, firm, limited liability company, business trust, personal trust, estate, association, corporation, body politic or subdivision thereof, or other multiple ownership type of business structure shall be served electric service by the Corporation unless said person or entity has applied for membership in the Corporation.

Section 10. Corporate Responsibility. The Corporation will use its best efforts to furnish adequate and reliable electric service to its members. However, it cannot, and therefore, does not guarantee a continuous and uninterrupted supply of energy. The Corporation reserves the right through its Board to adopt rules and regulations relating to the discontinuance, modification or restrictions of service to individual Members, new Members, new services, types of service and/or areas of service as may be necessary to keep the use within the capacity of the facilities and within the available source of supply.

Section 11. Disputes/Arbitration.

1. The Articles of Incorporation and these By-Laws are contracts between the Corporation and a member. By becoming a member, the member acknowledges:

- (a) every member is a vital and integral part of the Corporation;
- (b) the Corporation's successful operation depends upon each member complying with the Articles of Incorporation and these By-Laws; and,
- (c) members are united in an interdependent relationship.

2. It is the responsibility of the Corporation to engage in a good faith effort to resolve any claim or dispute which may arise between the Corporation and a member on a fair and impartial basis. In this effort, the Corporation will give consideration to:

- (a) rules and regulations imposed by state and federal agencies;

(b) the Corporation's Articles of Incorporation, these By-Laws, policies, practices, plans, and procedures, which are designed to benefit the membership as a whole;

(c) industry standards; and,

(d) the individual facts and circumstances regarding the claim or dispute.

3. All other claims and disputes shall, at the request of either party, first be submitted to mediation conducted by an impartial mediator agreed to by the parties. In the event the claim or dispute is not satisfactorily resolved at mediation, then such shall, at the request of either party, be submitted to binding arbitration to be conducted by the American Arbitration Association. Unless otherwise agreed to by the parties, one arbitrator shall resolve the claim or dispute. Written notice of the intention to file a claim or dispute must be provided to the other party sixty (60) days prior to submitting the claim or dispute for arbitration.

The Corporation shall furnish adequate space to conduct arbitration proceedings within Elko County. Unless otherwise agreed to by the parties, the party submitting the claim or dispute shall initially fund the cost of the arbitration proceeding.

The losing party in any arbitration proceeding shall pay the prevailing party its reasonable costs including reasonable attorney fees. Should a claim or dispute be dismissed, the party defending the claim or dispute is considered the prevailing party. In cases when the prevailing party is not clearly identified or when the arbitration award to the prevailing party is less than the settlement offer from the losing party, the arbitrator shall apportion the costs of arbitration, including reasonable attorney fees and other

expenses, between the parties in such ratio as the arbitrator deems to be fair and equitable.

4. No member of the Corporation shall participate in any class action or putative class action against the Corporation, either as a class representative or a member of the class.