

**BYLAWS
OF
SUMTER ELECTRIC
MEMBERSHIP CORPORATION**

Americus, Georgia

**As Amended
June 15, 2013**

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ARTICLE I

Membership

SECTION 1.01. Eligibility. Any natural person, firm, association, corporation, business trust, partnership, limited liability company, state, state agency, or state political subdivision, foreign government, the United States of America, or any federal agency or federal political subdivision, or body politic (collectively “Person”) as required or allowed by law, using, receiving, or purchasing any service, product, commodity, equipment, or facility from or through Sumter Electric Membership Corporation (“Cooperative”) reasonably related to the Cooperative furnishing, or the Person receiving: (1) electric power or (2) any other utility service, (collectively, “Cooperative Services”), is eligible to become a member. No Person may hold more than one Cooperative membership. Unless required by law or otherwise provided in these Bylaws, no Cooperative membership, and no right or privilege associated with Cooperative membership, may be sold, purchased, assigned, or otherwise transferred.

SECTION 1.02. Application For Membership; Renewal Of Prior Application. Application for membership-wherein the applicant shall agree to purchase Cooperative Services from the Cooperative and to be bound by and to comply with the Cooperative's Articles of Incorporation, Bylaws, Board policies and all rules, regulations and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement being hereinafter called "membership obligations")-shall be made in writing on such form as is provided therefor by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03 (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required

by the Cooperative) which fee (and such service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, if any) shall be refunded in the event the application is not approved. Any former member of the Cooperative may, by the sole act of paying a new membership fee and any outstanding account plus, if the Board by affirmative vote establishes a policy of charging interest on such outstanding account balances, accrued interest thereon at the rate provided by Georgia Law on judgments in effect when such amount first became overdue, compounded annually (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

SECTION 1.03. Membership Fee; Service Security And Facilities Extension Deposits; Contribution In Aid Of Construction. The membership fee shall be five (\$5.00) dollars. The membership fee (together with any service security deposit, or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection, subject to State statute. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative (together with a service security deposit, a facilities extension deposit or a contribution in aid of construction, if required by the Cooperative), shall be paid by the member for each additional service connection requested by him.

SECTION 1.04. Joint Membership. A husband and wife, by specifically so requesting in writing, may be accepted into joint membership, or, if one of them is already a member, may automatically convert such membership into a joint membership by jointly executing another membership application. The words "member", "applicant", "person", "his", and "him", as used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms,

conditions, responsibilities, and liabilities of membership may apply equally to them. Without limiting the generality of the foregoing---

- (a) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting; and,
- (b) the vote of either or both shall constitute, respectively, one joint vote; PROVIDED, that if both be present but in disagreement on such vote, each shall cast only one-half ($\frac{1}{2}$) vote; and,
- (c) notice to, or waiver of notice signed by either or both shall constitute, respectively, a joint notice or waiver of notice; and,
- (d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership; and,
- (e) each, but not both, concurrently, shall be eligible to serve as an officer or director of the Cooperative, but only if both meet the qualifications required therefor.

SECTION 1.05. Acceptance Into Membership. Upon complying with the requirements set forth in Section 1.02, any applicant shall be accepted into membership in, and become eligible to receive Cooperative Services from the Cooperative, subject to approval of the Board of Directors, unless the Board of Directors shall determine that such applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be rejected for other good cause; PROVIDED, that any Person whose application, for sixty (60) days or longer, has been submitted to but not approved by the Board of Directors, may, by filing written request therefor with the Cooperative at least thirty (30) days prior to the next meeting of the members, have his application submitted to and approved or disapproved by the vote of the members at such meeting, at which the applicant shall be entitled to be present and be heard.

SECTION 1.06. Purchase Of Electric Power And Energy; Power Production By Member; Application Of Payments To All Accounts. The Cooperative shall use its best efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership (subject to applicable State statutes), unless and except to the extent that the Board of Directors may in writing waive such requirement; and shall pay therefor at the times, and in accordance with the rules, regulations and rate schedules (including any monthly minimum that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors, and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member is receiving more than one Cooperative Service from the Cooperative (including, but not limited to, having more than one electric service connection), any payment for Cooperative Services to him by the Cooperative shall be deemed pro forma, to be allocated and credited on a pro rata basis to any outstanding indebtedness for all such Cooperative Services, notwithstanding that the Cooperative's actual accounting procedures do not reflect such proration.

SECTION 1.07. Excess Payments To Be Credited As Member-Furnished Capital. All amounts paid for Cooperative Services in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article IX of these Bylaws.

SECTION 1.08. Wiring Of Premises; Responsibility Therefor; Responsibility For Meter Tampering Or Bypassing And For Damage To Cooperative Properties; Extent Of Cooperative Responsibility; Indemnification. Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the Georgia Insurance Service Office, the National Electric Code, any applicable state code or local government ordinance and of the Cooperative. Each member shall be responsible for---and shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting from any defect in or improper use or maintenance of---such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto for inspection, maintenance, replacement, relocation or repair thereof at all reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. In the event such facilities are interfered with, impaired in their operation or damaged by the member or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including, but not limited to, the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no

event shall the responsibility of the Cooperative extend beyond the point of delivery.

SECTION 1.09. Member To Grant Easement To Cooperative And To Participate In Required Cooperative Load Management Programs. Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by the member, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities or otherwise authorizing, satisfying, or facilitating an obligation incurred, or right granted, by the Cooperative regarding use of structures, facilities, easements, or other goods or property owned, controlled, operated, or furnished by the Cooperative. Each member shall participate in any required program that may be established by the Cooperative to enhance load management, to utilize more efficiently, or conserve electric energy, or to conduct load research.

ARTICLE II

Membership Suspension And Termination

SECTION 2.01. Suspension; Reinstatement. Upon his failure, after the expiration of the initial time limit prescribed in a specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay the amounts due the Cooperative or to cease any other non-compliance with his membership obligations, a Person's membership shall automatically be suspended; and he shall not during such suspension be entitled to receive Cooperative Services or to cast a vote at any meeting of the members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other non-compliance with his membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate

the membership, in which event the member shall thereafter be entitled to receive Cooperative Services and to vote at the meetings of its members.

SECTION 2.02. Termination By Expulsion; Renewed Membership. Upon the failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, he may, without further notice, but only after due hearing if such is requested by him, be expelled by the affirmative votes of not less than a majority of the directors in office at any subsequently held regular or special meeting of the Board. Any Person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event such Person's membership shall be reinstated retroactively to the date of his suspension. After any finally effective expulsion of a member, he may not again become a member except upon new application therefor duly approved as provided in Section 1.05. The Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

SECTION 2.03. Termination By Withdrawal Or Resignation.

- (a) An electric service member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either:
 - (1) ceasing to (or, with the approval of the Board of Directors, resigning his membership in favor of a new applicant who also shall) own or directly occupy or use all premises being furnished electric service pursuant to his membership, or

- (2) except when the Board of Directors specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.
- (b) A member receiving Cooperative Services other than electric service may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe or upon ceasing to receive such service for a prescribed period of time as established by the Board of Directors. Any member who receives no such service for such prescribed period shall automatically be deemed by the Cooperative to have voluntarily withdrawn from membership.

SECTION 2.04. Termination By Death Or Cessation Of Existence; Continuation Of Membership In A Remaining Partner. Except as provided in Section 2.06, the death of an individual human member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership; PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining partner or partners, including any additional partners, as continue to receive Cooperative Services other than electric service, or continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership.

SECTION 2.05. Effect Of Termination. Upon the termination in any manner of a person's membership, he or his estate, as the case may be, shall be entitled to refund of his membership fee (and to his service security deposit, if any, theretofore paid the Cooperative), less any amounts due the Cooperative; but neither he nor his estate, nor any former partner of a partnership member of his estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member, as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Directors

shall expressly so elect, constitute such release of such Person from his membership obligations as to entitle him to purchase from any other person any central station electric power and energy for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

SECTION 2.06. Effect Of Death, Legal Separation Or Divorce Upon A Joint Membership. Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint; PROVIDED, that the estate of the deceased shall not be released from any debts due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues to receive Cooperative Services other than electric service, or continues to directly occupy or use the premises to which electric service is provided pursuant to such membership, in the same manner and to the same effect as though such membership had never been joint; PROVIDED, that the other spouse shall not be released from debts due the Cooperative.

SECTION 2.07. Board Acknowledgement Of Membership Termination; Acceptance Of Members Retroactively. Upon the termination of a Person's membership for any reason, the Board of Directors, as soon as practicable after such termination is made known to it, may by appropriate resolution formally acknowledge such termination. Upon discovery that the Cooperative has been furnishing Cooperative Services to any Person other than a member, it shall cease furnishing such service unless such Person applies for, and the Board of Directors approves, membership retroactively to the date on which such Person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership and all related records accordingly.

ARTICLE III
Meetings Of Members

SECTION 3.01. Annual Meeting. For the purposes of electing directors (or reporting on the election of directors), hearing reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held on the second Saturday of the month of July each year, at such place within a county in the State of Georgia served by the Cooperative, and beginning at such hour as the Board of Directors shall from year to year fix; PROVIDED, that for good cause the Board of Directors may fix a different date for such annual meeting not more than sixty (60) days prior or subsequent to the date established for such meeting in this Section. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for and to encourage member attendance at the annual meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

SECTION 3.02. Special Meetings. Special meetings, or a special meeting in lieu of the annual meeting of members, may be requested by a vote of not less than two-thirds (2/3) of the Board of Directors in office or upon the written request of not less than twenty percent (20%) of the members of the Cooperative (“Special Member Meeting”). The written request of members shall:

- (a) be contained on one or more pages, each of which must describe the purpose of the Special Member Meeting; and,
- (b) contain the member’s dated signature and adjacent thereto, the signing member’s printed name and address (consistent with billing name and address); and,
- (c) be submitted to the Secretary of the Cooperative within sixty (60) days following the first member signature.

Upon submission of a complete and valid request to the Secretary of the Cooperative, it shall be the duty of the Secretary to promptly cause notice of such meeting to be given to the members. A Special Member Meeting may be held at such place within Sumter County as designated by the Board of Directors on such date

not sooner than forty (40) days after the submission of a complete and valid request is received by the Secretary of the Cooperative, and beginning at such hour as determined by the Board of Directors and specified in the notice of the Special Member Meeting.

SECTION 3.03. Notice Of Member Meetings. Written or printed notice of the place, day and hour of the meeting and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting shall, except as provided in Article XI and in Sections 46-3-382, 46-3-383, 46-3-401 and 46-3-420 of the Georgia Code Ann., be delivered to each member not less than five (5) days nor more than ninety (90) days prior to the date of the meeting, by any reasonable means, by or at the direction of the Chairman, the Secretary or other officer or persons calling the meeting. Reasonable means of providing such notice shall include but not be limited to United States mail, personal delivery, the Cooperative's monthly newsletter or member service billings. No matter, the carrying of which, as provided by law, requires the affirmative votes of at least a majority of all the Cooperative's members, shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notices shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid and, whether mailed first-class or not, postmarked at least five (5) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive such notice shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of

making such objection shall notify the Secretary of his objection prior to or at the beginning of the meeting.

SECTION 3.04. Quorum. Business may not be transacted at any meeting of the members unless, at the organization of the meeting, there are present in person one hundred fifty (150) members, except that, if less than a quorum is ever present at any meeting, a majority of those present in person may adjourn the meeting to another time and date not less than forty (40) days later and to any place within one of the counties in which the Cooperative serves; PROVIDED, that the Secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present. When a quorum is once present to organize a meeting, the members who remain present may continue to do business at the meeting, or at any adjournment thereof, notwithstanding the withdrawal of enough members to leave less than a quorum.

Where member votes in contested director elections are permitted to be cast by mail, telephone, internet or in person, receipt in the time and manner prescribed by the Credentials and Elections Committee of at least one hundred fifty (150) authorized ballots in a given contest shall be considered sufficient to constitute a quorum for that contest (but for no other purpose). If a quorum for a contested election is not achieved on the date and time prescribed for the receipt of ballots, all ballots received shall be destroyed, and another vote shall be conducted as soon thereafter as reasonably feasible at the time, and in the method and manner determined by the Credentials and Election Committee.

SECTION 3.05. Voting. Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative prior to or upon voting, of

satisfactory evidence entitling the person presenting the same to vote. In contested director elections, members shall vote by secret ballot by mail, telephone, internet, or in person, as shall be specified by the Credentials and Election Committee. All questions properly submitted to a vote of the members shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws. Members may not cumulate their votes or vote by proxy. Members may not vote by secret ballot other than for the election of directors.

SECTION 3.06. Order Of Business. The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be as determined by the Board of Directors, provided that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

SECTION 3.07. Credentials And Election Committee. The Board of Directors shall, at least sixty (60) days before any meeting of the members, appoint a Credentials and Election Committee consisting of eight (8) members who are not existing Cooperative officers, directors or known candidates for director, and who are not close relatives (as hereinafter defined) or members of the same household as Cooperative officers, existing directors or known candidates for director. In appointing the Committee, the Board shall have regard for the equitable representation of the several areas served by the Cooperative and shall appoint one member from each of the Cooperative's eight (8) directorate districts to serve on the Committee. The Committee shall elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or other voting, including the means of conducting, and rules relating to, contested director elections. The Committee shall also pass upon all questions that may arise with respect to the registration of members in person, count, supervise the counting, or verify the counting of all ballots or other votes cast in any election or in any

other matter, rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, rule upon all other questions that may arise relating to member voting and the election of directors (including but not limited to the validity of petitions of nomination or the qualifications of candidates and the regularity of the nomination and election of directors), and pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election. As provided in Section 3.08, the Committee may, with the consent of the Board of Directors, elect to utilize an independent vendor to serve as the Election Service Provider, and vest in such Election Service Provider the authority to prepare, distribute, collect and tabulate ballots and verify results. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during or within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof or to set it aside. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. Without limiting the foregoing duties and prerogatives of the Committee, on request of the person presiding at the meeting of the members or on the request of any member entitled to vote thereat, such Committee shall make a report in writing of any challenge, question, count or matter determined by the Committee and execute a certificate of any fact found by them. Any such report or certificate made by them shall be prima-facie evidence of the facts stated and of the vote as certified by them. Any Committee

member related within the third degree by affinity or consanguinity computed according to the civil law to any candidate for director shall refrain from participating in any deliberation or vote of the Committee concerning such candidate.

SECTION 3.08. Election Service Provider. In contested director elections, the Credentials and Election Committee may, with the consent of the Board of Directors, select an independent, experienced vendor to be the Cooperative's Election Service Provider. The Election Service Provider shall prepare and distribute ballots, maintain such other means of voting as may be authorized by the Credentials and Election Committee, tabulate all votes cast, verify election results, and provide such other services as the Credentials and Election Committee shall determine. The cost thereof shall be paid for by the Cooperative.

ARTICLE IV

Directors

SECTION 4.01. Number And General Powers. The business and affairs of the Cooperative shall be managed by a Board of Directors consisting of eleven (11) members, two (2) of whom shall be elected from Sumter County; one (1) from Terrell/Dougherty Counties; one (1) from Webster/Randolph Counties; one (1) from Stewart/Quitman Counties; one (1) from Chattahoochee County; one (1) from Lee County; one (1) from Marion County; one (1) from Schley County; and two (2) from the membership at-large. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the members.

The Board of Directors shall not appoint or elect any committee to exercise the authority of the Board. However, the Board may appoint or elect from its own membership one or more committees, each consisting of at least two (2) directors, for the purpose of serving in an advisory or recommendatory capacity to the Board.

SECTION 4.02. Qualifications Of Directors. No person shall be eligible to become or remain a Board member of the Cooperative:

- (a) who is not a natural person eighteen (18) years of age or older; and,
- (b) who is not a member of the Cooperative in good standing; and,
- (c) who is not a bona fide resident of the area served by the Cooperative and is receiving electric service from the Cooperative at the primary residential abode (meaning the location used to determine the member's voting precinct for local and state elections) of such individual, unless temporarily prevented from doing so by causes reasonably beyond such member's control; and,
- (d) who is employed by or financially interested in an enterprise or organization that competes with the Cooperative, or a close relative of someone employed by or financially interested in an enterprise or organization that competes with the Cooperative, except that such employment or financial interest is, in the judgment of the directors, excluding the director in question, so inconsiderable and incidental as not to pose a reasonable prospect of a conflict of interest; and,
- (e) who is currently an employee of the Cooperative or has been an employee of the Cooperative within the five (5) years immediately preceding the annual meeting at which such person is a candidate for director; and,
- (f) who is a close relative of an employee or director of the Cooperative; and,
- (g) who is currently employed by or financially interested in a business that regularly contracts with, or sells energy or supplies to the Cooperative, or a close relative of someone employed by or financially interested in a business that regularly contracts with, or sells energy or supplies to the Cooperative, except that such employment or financial interest is, in the judgment of the directors, excluding the

- director in question, so inconsiderable and incidental as not to pose a reasonable prospect of a conflict of interest; and,
- (h) who has been convicted of a felony or has entered a plea of nolo contendere to a felony charge, unless such prohibition is waived by a two-thirds (2/3) vote of the Board of Directors upon a finding by the Board that the criminal act of the Board member does not significantly and adversely affect the Cooperative; and,
 - (i) who is, at the time of his election to the Board, or who becomes after his election to the Board, an adverse party to the Cooperative and/or any of the Cooperative's directors, officers, or employees in their official capacity, in a lawsuit or other civil action, complaint, or administrative proceeding, in connection with a matter or matters relating to or arising out of the activities or business of the Cooperative; and,
 - (j) who has, during the five years immediately preceding the date of the meeting of members at which such person seeks to be elected, filed, intervened in, or become a party to a lawsuit or other civil action, complaint, or administrative proceeding adverse to either the Cooperative and/or any of the Cooperative's directors, officers, or employees, where such proceedings resulted in no substantial monetary or equitable relief being rendered against the Cooperative and/or any of the Cooperative's directors, officers, or employees for matters relating to or arising out of the activities or business of the Cooperative.

Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Credentials and Election Committee to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall be construed to, affect in

any manner whatsoever, the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.

SECTION 4.03. Campaigning And Rules For Director Elections.

- (a) The Cooperative is prohibited from using the Cooperative's funds or resources to support or oppose an individual candidate or nominee for director.
- (b) The members have determined that active employee participation in director elections involves an inherent conflict of interest that is detrimental to public confidence in the Cooperative, and can hinder the proper functioning of both the Board of Directors and staff. Consequently, Cooperative employees shall not publicly advocate the election or defeat of any candidate for the Board of Directors. An employee who violates this Bylaw is subject to termination of employment by the Cooperative. All Cooperative employees who are duly qualified to vote shall be permitted to do so, and nothing in this Bylaw Section shall be deemed to restrict such an employee from voting on any matter submitted to a vote of the members.

SECTION 4.04. Manner Of Voting For And Election Of Directors.

- (a) Directors shall be elected to fill the seats for those directors whose terms are expiring at each annual meeting. Each member shall be entitled to cast a vote in each director election, but may not vote cumulatively.
- (b) Voting for election of directors shall be by secret ballot; PROVIDED, however that when a nominee has no opposition, secret ballots shall be dispensed with in respect to that particular election, and voting may be conducted at the annual meeting by voice vote or in any other proper manner as approved by the Credentials and Election Committee.

- (c) Directors shall be elected by the majority vote of the valid votes cast. Should no candidate receive the requisite majority vote, the winner shall be chosen by additional secret ballots between the two candidates receiving the highest number of votes in the prior balloting. The runoff election will be conducted at the time, and in the method and manner determined by the Credentials and Election Committee.
- (d) As soon as practicable after the time for making nominations is closed, the Credentials and Election Committee shall meet and determine the persons duly nominated and shall cause mail-in ballots (and/or such other means of voting as the Credentials and Election Committee shall authorize) to be prepared for each director election for which there is more than one qualified nominee. Each ballot shall:
 - (1) contain the name of each qualified person duly nominated and identify the incumbent, if any;
 - (2) have printed thereon or be accompanied by instructions as to the method by which a vote for a particular candidate shall be indicated;
 - (3) have printed thereon a notice as to the time and date by which the vote must be received (if voting is by mail, telephone or internet); and,
 - (4) contain such other information as the Credentials and Election Committee shall deem appropriate to assist the members in casting their vote.
- (e) If there is a contested election, the Credentials and Election Committee shall oversee the preparation and distribution of ballots to all members in good standing on the record date set by the Cooperative, such record date being not more than ninety (90) days prior to the annual meeting.
- (f) If there is a contested election, each member desiring to vote shall do so according to the instructions of the Credentials and Election Committee on or before the date specified by the Credentials and Election Committee. The only votes which shall be counted are those that:
 - (1) are cast by, or on behalf of, members in good standing as of the record date set by the Cooperative;

- (2) have been received on or before the date, and in the manner, specified by the Credentials and Election Committee; and,
- (3) comply with all requirements of these Bylaws and the rules and regulations and instructions prescribed by the Credentials and Election Committee.

SECTION 4.05. Inability Of Winning Candidate To Serve. In the event the winning candidate in a contested director election is unwilling, unqualified, or unable to serve, that director position shall be deemed vacant, and may be filled in accordance with Section 4.12.

SECTION 4.06. Tenure. Directors shall be so nominated and elected that one-third (1/3) of their number, or as nearly thereto as possible, shall be elected for three (3) year terms at each annual member meeting. Upon their election, directors shall, subject to the provisions of these Bylaws with respect to the removal of directors, serve until the annual meeting of the members of the year in which their terms expire or until their successors shall have been elected and shall have qualified. If for any reason an election of directors shall not be held at an annual meeting of the members duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special meeting or at the next annual meeting of members. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over only until the next member meeting at which a quorum is present.

SECTION 4.07. Directorate Districts. The Cooperative's directors shall be so nominated and elected that at least one (1) but not more than two (2) directors shall reside in each of the eight (8) directorate districts, which are:

- District No. 1 - Sumter County, Georgia;
- District No. 2 - Terrell/Dougherty Counties, Georgia;
- District No. 3 - Webster/Randolph Counties, Georgia;
- District No. 4 - Stewart/Quitman Counties, Georgia;
- District No. 5 - Chattahoochee County, Georgia;
- District No. 6 - Lee County, Georgia;
- District No. 7 - Marion County, Georgia; and,
- District No. 8 - Schley County, Georgia.

Notwithstanding the foregoing district descriptions, every year the Board of Directors, not less than ninety (90) days prior to the earliest date on which the annual member meeting may be scheduled by these Bylaws to be held, shall review the districts and, if determining that they should be altered so as to correct any substantially inequitable factors regarding the residence of members of the geographic location of districts, shall change and redescribe one or more districts accordingly, in which event all districts as so changed shall be noticed in writing precisely to the members not later than five (5) days prior to the date on which the Committee on Nominations for such meeting shall first convene. After such notice, these Bylaws shall have been effectively amended accordingly, except that the areas embraced within such districts may be changed by amendment of these Bylaws by the members from time to time in order to establish the most equitable and geographical representation of the Board of Directors; PROVIDED, that any change so made by action of the Board shall be in full force and effect until at least the completion of the election of directors at the annual meeting of the members first held in accordance with such changes effectuated by the Board of Directors; AND PROVIDED FURTHER, that no such change effectuated by the Board shall become effective so as to compel the vacancy of any director's office prior to the time such director's term would normally expire.

SECTION 4.08. Nominations. It shall be the duty of the Board of Directors to appoint, not less than one hundred twenty (120) days prior to the date of a meeting of the members at which directors are to be elected, a Committee on Nominations, consisting of eleven (11) persons who are members of the Cooperative who are not existing officers, directors or known candidates to become director, or close relatives (as hereinafter defined) or members of the same household of such officers, directors or candidates, and who are so selected that each of the Cooperative's eight (8) directorate districts shall have one representative thereon, with two (2) members at-large, but no more than two (2) members shall be from the same directorate district. The Committee shall prepare and post at the principal office of the

Cooperative at least one hundred (100) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee or nominees with respect to each directorate district from which a director must or may, pursuant to this Article, be elected at the meeting. The Committee may include more nominees than there are to be elected, but it shall show clearly which nominees are opposed with respect to the same directorate district or if such be the case, with respect to at-large directorships. Any fifty (50) or more members of the Cooperative, acting together, may make additional nominations in writing over their signatures, in like manner listing the nominees separately with respect to the directorate districts from which, or if such be the case, the at-large directorships for which they are nominated, received in completed form by the Secretary not less than eighty (80) days prior to the meeting, and the Secretary shall post such nominations at the same place where the list of nominations made by the Committee is posted. The Nominating Petition shall:

- (a) list on each page of the Nominating Petition the name of the proposed nominee; and,
- (b) indicate on each page of the Nominating Petition the director position for which the proposed nominee will run; and,
- (c) contain the printed names, addresses and telephone numbers as listed on the Cooperative's billing records, and contain original dated signatures signed within sixty (60) days of the first signature.

The Secretary shall mail to the members with the notice of the meeting, or separately, but at least five (5) days prior to the date of the meeting, a statement of the directors to be elected from specific directorate districts, and, if such be the case, for at-large directorships, and the names and addresses of all nominees, showing separately those nominated by the Committee and those nominated by petition, if any.

No nominations may be accepted, and no person shall qualify as a candidate for the Board, except when the nomination of such person shall have occurred in accord with this Section of these Bylaws.

SECTION 4.09. Inability Of All Nominees To Serve. If, after the deadline for nominations specified in Section 4.08 has passed, the Credentials and Election Committee certifies that there are no qualified nominees for a given director position where the term thereof was scheduled to expire at the immediately ensuing annual meeting, then that director position shall be deemed vacant as of the date of such ensuing annual meeting, no election shall be conducted for that position at the ensuing annual meeting, and the vacancy shall be filled in accordance with Section 4.12 by the Board at such time subsequent to such annual meeting as shall be determined by the Board of Directors.

SECTION 4.10. Failure Of Compliance And Validity Of Board Action. Failure to comply with any of the provisions of these Bylaws as to the nomination or election of directors shall not affect in any manner whatsoever the validity of any action taken by the Cooperative, the Board of Directors, any committee of the Board of Directors, or by any officer of the Cooperative.

SECTION 4.11. Director Removal.

- (a) As provided in this Bylaw, members may request the removal of one (1) or more directors for any negligent, fraudulent, or criminal act or omission which significantly and adversely affects the Cooperative. For each director for whom removal is requested, members shall deliver to the Chairman or Secretary a dated written petition (“Director Removal Petition”):
- (1) identifying the director; and,
 - (2) explaining the basis for requesting the director’s removal, including, without limitation, identifying the specific acts or omissions upon which the removal request is based; and,
 - (3) containing the printed names and printed addresses as listed on the Cooperative’s billing records, and containing original and dated signatures obtained within sixty (60) days of the Director Removal Petition date, of at least ten percent (10%) of the members entitled to elect the director.

- (b) Within thirty (30) days following the Chairman or Secretary receiving a Director Removal Petition:
 - (1) the Cooperative shall forward a copy of the Director Removal Petition to the implicated director; and,
 - (2) the Board shall meet to review the Director Removal Petition; and,
 - (3) any director who is the subject of a removal petition shall not be present at or participate in any meeting of the Board to review the Director Removal Petition.
- (c) If the Board determines that the Director Removal Petition complies with this Bylaw, then the Cooperative shall notice and hold a member meeting within sixty (60) days following the Board's determination. Notice of the member meeting must state that:
 - (1) a purpose of the member meeting is to consider removing a director; and,
 - (2) evidence may be presented, and a member vote taken, regarding removing the director.
- (d) If a member quorum is present at the member meeting, then for each director named in each Director Removal Petition:
 - (1) prior to the member meeting, the Board shall be authorized to establish guidelines for the conducting of the portion of the member meeting where the Director Removal Petition is to be considered by the membership; and,
 - (2) evidence must be presented by a member or members supporting the basis for removing the director prior to any member vote; and,
 - (3) the director may be represented by legal counsel, and must have the opportunity to refute, and present evidence opposing, the basis for removing the director; and,
 - (4) the Board's attorney shall be present, shall represent the Board at the meeting, and shall assist the chair or other presiding officer in ruling upon the admissibility of evidence, objections and other issues that may arise in connection with the proceedings. However, the technical rules of evidence shall not apply; and,

- (5) following the director's presentation, and following member discussion, the members must vote whether to remove the director.
- (e) If a majority of members, present and voting and entitled to vote for the director, vote to remove the director, then the director is removed effective the time and date of the member vote. In the event of a vacancy on the Board created by the removal of one or more directors under this Section, then such vacancy or vacancies shall be filled in accordance with the provisions of Section 4.12 of this Article.
- (f) Neither a Director Removal Petition nor director removal affects any Board action.

SECTION 4.12. Vacancies. A vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until his successor is elected and qualified; PROVIDED, that such a director, except in the case of an at-large director, shall be from the same directorate district as was the director whose office was vacated.

SECTION 4.13. Compensation; Expenses;

Indemnification. For their services as such, directors shall receive such compensation, which may include insurance benefits, as is fixed by resolution of the Board of Directors. For the performance of their duties, directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred, in accordance with the Cooperative's established policies. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the members or such payment and amount shall be specifically authorized by the Board of Directors upon their certification of such as an emergency measure; PROVIDED, that a director who is also an officer of the Board, and who as such officer performs

regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board of Directors. The Cooperative shall indemnify directors and may purchase insurance to cover such indemnification, as provided for in Section 46-3-306 of the Georgia Code Ann.

SECTION 4.14. Rules, Regulations, Rate Schedules And Contracts. The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 4.15. Accounting System And Reports. The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting operations during, and financial condition as of the end of such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 4.16. Subscription To Cooperative's Newsletter; Subscription To Georgia Magazine. For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, and other matters of potential interest to members, the Board of Directors shall be authorized to periodically circulate a newsletter to the members. The Board of Directors shall also be empowered and authorized, on behalf of and for circulation to the members periodically, to subscribe to *Georgia Magazine*. The annual subscription for such newsletter and the *Georgia Magazine*, in the amount of One Dollar (\$1.00) or

more, shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

SECTION 4.17. "Close Relative" Defined. As used in these Bylaws, "close relative" means a person who, by blood or in law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

ARTICLE V

Meetings Of Directors

SECTION 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual member meeting. A regular meeting of the Board of Directors shall also be held monthly at such date, time and place within one of the counties served by the Cooperative as the Board may provide by resolution. Except when business to be transacted thereat shall require special notice, such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof; PROVIDED, that any director absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER, that if a policy therefor is established by the Board, the Chairman may change the date, time or place of a regular monthly meeting for good cause and upon at least five (5) days' notice thereof to all directors.

SECTION 5.02. Special Meetings. Special meetings of the Board of Directors may be called by Board resolution, by the Chairman or by any three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be

given as hereinafter provided in Section 5.03. The Board, the Chairman or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties served by the Cooperative unless all directors consent to its being in some other place in Georgia or elsewhere. Special meetings may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent thereto.

SECTION 5.03. Notice Of Directors Meetings. Written notice of the date, time, place and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board, shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by him or those calling it in the case of a special meeting or by any other director or officer in the case of any meeting whose date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least five (5) days prior to the meeting date. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

SECTION 5.04. Quorum. The presence in person of a majority of the directors in office shall be required for the transaction of business, and the affirmative votes of at least a majority of the directors in office shall be required for any action to be taken; PROVIDED, that a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office; AND PROVIDED FURTHER, that if less than a quorum be present at a

meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the time and place of such adjourned meeting.

ARTICLE VI *Officers*

SECTION 6.01. Number And Title. The officers of the Cooperative shall be a Chairman of the Board, Vice Chairman of the Board, Secretary and Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.02. Election And Term Of Office. The four officers named in Section 6.01 shall be elected by ballot, annually and with prior nomination, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of directors by the members and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities as the Board of Directors may from time to time deem advisable.

SECTION 6.03. Removal. Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served.

SECTION 6.04. Vacancies. A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

SECTION 6.05. Chairman. The Chairman shall:

- (a) be the principal executive officer of the Board of Directors and shall preside at all meetings of the Board of Directors and, shall either preside at all meetings of the members or appoint a person to preside at such meetings, unless determined otherwise by the Board of Directors; and,
- (b) 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 the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and,
- (c) in general, perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6.06. Vice Chairman. In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.07. Secretary. The Secretary shall:

- (a) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose; and,
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law; and,
- (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 or is required by law; and,

- (d) keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member; and,
- (e) sign, with the Chairman, certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors; and,
- (f) have general charge of the books of the Cooperative in which a record of the members is kept; and,
- (g) keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any members; 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 to him by the Board of Directors.

SECTION 6.08. Treasurer. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative; and,
- (b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected in accordance with the provisions of these Bylaws; and,
- (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 to him by the Board of Directors.

SECTION 6.09. Delegation Of Secretary's And Treasurer's Responsibilities. Notwithstanding the duties, responsibilities and authorities of the Secretary and the Treasurer hereinbefore provided in Sections 6.07 and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and

the regular or routine administration of one or more of each such officer's duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to any such officer, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 6.10. President/Chief Executive Officer. The Board of Directors may appoint a President/Chief Executive Officer, who may be, but who shall not be required to be, a member of the Cooperative. Such officer shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in him. The Board of Directors may vest in such officer the authority to appoint Vice Presidents who shall be responsible for the various departments of the Cooperative.

SECTION 6.11. Bonds And Insurance. The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum 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 in such amount and with such surety as it shall determine. The cost of all such bonds shall be borne by the Cooperative. The Board may, in its discretion instead of requiring bonds, purchase comparable insurance for the benefit of the Cooperative to protect against loss of the same nature as would be covered by the bond. The cost of such insurance shall also be borne by the Cooperative.

SECTION 6.12. 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 in Section 4.13 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors. The Cooperative shall indemnify any other officer, employee or agent and may purchase insurance to cover such indemnification as provided in Section 46-3-306 of the Georgia Code Ann.

SECTION 6.13. 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 VII
Contracts, Checks And Deposits

SECTION 7.01. Contracts. Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer(s), agent(s) or employee(s) 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 7.02. 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 and/or countersigned by such officer(s), agent(s) or employee(s) of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 7.03. Deposits; Investments. All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

ARTICLE VIII
Membership Certificates

SECTION 8.01. Certificate Of Membership. Membership in the Cooperative may, if the Board so resolves, 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 Cooperative's

Articles of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the Chairman and by the Secretary, and the seal shall be affixed thereto or a facsimile thereof printed thereon; PROVIDED, that the signatures of the Chairman and Secretary may be imprinted by facsimile thereon.

SECTION 8.02. Issue Of Membership Certificates. No membership certificate shall be issued for less than the membership fee fixed by these Bylaws nor until such membership fee, any required service security deposits, facilities extension deposits, service connection fees or contributions in aid of construction have been fully paid.

SECTION 8.03. 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 IX

Non-Profit Operation

SECTION 9.01. 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 dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 9.02. Patronage Capital In Connection With Furnishing Electric Energy. In the 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 that 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 in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the

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 the amount of capital, if any, so furnished by each patron is clearly reflected and credited 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 account; PROVIDED, that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him.

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 corresponding amounts for capital.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members; PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all Persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period insofar as is practicable, as determined by the Board of Directors, before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. After August 27, 1992, 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. Such determination shall be in the best interest of the Cooperative as decided by the Board of Directors. The Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall:

- (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year; and,
- (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the Cooperative's patrons; and,
- (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to their accounts.

Capital credited to the account of each patron shall be assignable 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 patron's 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 shall, at its discretion, have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of his 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 such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon; PROVIDED, however, that the financial condition of the Cooperative will not be impaired thereby.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with, if the Board by affirmative vote establishes a policy of charging interest on such amounts owing, accrued interest thereon at the rate provided by Georgia Law on judgments in effect when such amount became overdue, compounded annually.

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.

SECTION 9.03. Patronage Refunds In Connection With Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained. In the event of dissolution or liquidation of the Cooperative, the rules and regulations contained in Section 9.02 shall govern all such accumulated margins.

ARTICLE X ***Waiver Of Notice***

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

ARTICLE XI
Disposition Of Assets

SECTION 11.01. Disposition And Pledging Of Property – Sale Or Lease. The Cooperative’s Board of Directors, without requirement of the member’s vote or consent, is empowered to authorize any sale, lease, lease-sale, exchange or other disposition of less than substantially all of the Cooperative’s properties and assets and to authorize the execution and delivery of mortgages, deeds of trusts or any other security instruments covering all or any part of the Cooperative’s property and assets, all as provided for in subsections (a) and (b) of Section 46-3-400 of the Georgia Code.

The sale, lease, lease-sale, exchange or other disposition of all or substantially all of the Cooperative’s properties and assets may be authorized and effectuated pursuant to the provisions of Section 46-3-401 of the Georgia Code Ann. and Section 11.03 of these Bylaws. Not in conflict with, or in lieu of, but rather as supplementary to such sections, the following procedures shall be followed in authorizing such a sale, lease, lease-sale, exchange or disposition:

- (a) Before adopting a resolution recommending such sale, lease, lease-sale, exchange or other disposition, the Board of Directors shall designate three (3) independent appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative’s assets and properties, including its good-will and going business value, and as to any other terms and conditions which, in their respective judgments, should be considered. In addition, before adopting such a resolution, the Board shall also consider those matters set out in Section 11.02 (a) of these Bylaws which are determined by the Board to be applicable to such proposed sale, lease, lease-sale, exchange or other disposition of all or substantially all of the Cooperative’s properties and assets then under consideration by the Board.

- (b) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are recommended, if any), and after undertaking such other considerations as may be authorized or required by these Bylaws, then determine that such a resolution should be adopted by it, it shall first give every other Georgia electric membership corporation (which has not made the proposal for such sale, lease, lease-sale, exchange or disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric membership corporations, which notice shall attach a copy of the proposal which the Cooperative has already received and a copy of the reports of the three (3) appraisers. Such electric membership corporations shall be given not less than sixty (60) days within which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
- (c) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members, describing every one of all such proposals, and shall call a special meeting of the members for consideration thereof, which meeting shall not be held sooner than ninety (90) days after the giving of such notice to the members; PROVIDED, that consideration thereof by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is not held sooner than ninety (90) days after the giving of such notice.
- (d) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days before the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the recommendations that the Board has made.

SECTION 11.02. Merger Or Consolidation. The merger or consolidation of the Cooperative may be authorized and effectuated pursuant to the provisions of Section 46-3-380, et seq., of the Georgia Code Ann. and this Section of these Bylaws. Not in conflict with, or in lieu of, but rather as supplementary to such sections, the following procedures shall be followed in authorizing such merger or consolidation:

- (a) The Board shall determine whether a proposal to merge or consolidate submitted to the Cooperative by any party (“Proposal to Merge”) is in the best interest of the Cooperative, its present and future members, and its employees. In determining whether the Proposal to Merge is in the members’ best interest, the Board shall consider not only economic matters such as value of assets and rates, but also the intrinsic value of the local cooperative institution.

The current situation, as well as circumstances in the reasonably foreseeable future, shall be considered. The Board, without limitation, shall determine:

- (1) whether the Proposal to Merge is in compliance with all applicable laws, regulations and requirements of the Cooperative’s Articles of Incorporation, Bylaws and policies; and,
- (2) whether the Proposal to Merge complies with all requirements of the Cooperative’s mortgage and loan documents and other contract obligations; and,
- (3) whether rates, fees and other charges, and service rules and regulations of the succeeding entity will be at least equivalent to, or better than, those of the Cooperative, both at the time of the Proposal to Merge and for the reasonably foreseeable future, but for a minimum of five (5) years. In addition, the Board should consider how the members’ rates may in the future be affected by the cost of the merger or consolidation; and,
- (4) whether the electric service of the succeeding entity would be at least as reliable as that provided by the

- Cooperative at the time of the Proposal to Merge and as projected into the reasonably foreseeable future; and,
- (5) whether customer service and other service functions afforded by the Cooperative's merger or consolidation would be at least as good as those afforded by the Cooperative; and,
 - (6) whether the succeeding entity would continue or enhance the Cooperative's community involvements and economic development of the Cooperative's service area; and,
 - (7) whether present members of the Cooperative and yet-to-be future members of the Cooperative would have adequate representation in the succeeding entity; and,
 - (8) whether any other relevant factors or considerations make such Proposal(s) to Merge beneficial or detrimental to the Cooperative, its members and employees.
- (b) If the Board determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members, describing every one of all such proposals, and shall call a special meeting of the members for consideration thereof, which meeting shall not be held sooner than ninety (90) days after the giving of such notice to the members; PROVIDED, that consideration thereof by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is not held sooner than ninety (90) days after the giving of such notice.
- (c) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days before the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the recommendations that the Board has made.

SECTION 11.03. Distribution Of Surplus Assets On

Dissolution. Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors and not inconsistently with the provisions of the third paragraph of Section 9.02 of these Bylaws, be distributed without priority among all Persons who are or who have been members of the Cooperative for any period during its existence, on the basis that their respective patronage during such periods bears to the total receipts of the Cooperative since its inception; PROVIDED, HOWEVER, that if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more non-profit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE XII

Fiscal Year

The Cooperative's fiscal year shall begin on the first day of the month of January of each year and end on the last day of the month of December following.

ARTICLE XIII

Rules Of Order

Parliamentary procedure at all meetings of the members, of the Board of Directors, or any committee provided for in these Bylaws and of any other committee of the members or Board of Directors, which may from time to time be duly established, shall be governed by the most recent edition of *Robert's Rules of Order*, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation, Bylaws or Rules

of Procedure adopted from time to time by the Board of Directors to enable more efficient and orderly meetings.

ARTICLE XIV
Seal

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

ARTICLE XV
Amendments

Except for Bylaw amendments directly relating to the election of directors, these Bylaws may be amended by either the affirmative vote of two-thirds (2/3) of the directors serving at the time of the directors' adoption of the amendment or a two-thirds (2/3) vote of the members present and voting at a member meeting. Amendments directly relating to the election of the Board may be adopted only by a two-thirds (2/3) vote of the members present and voting at a member meeting.

- (a) Sponsorship Of Bylaw Amendments. Both the Board and members may sponsor or propose Bylaw amendments in accordance with this Article. Unless waived by the Board, a Bylaw amendment sponsored or proposed by members must be:
- (1) sponsored and accompanied by a dated petition containing the printed names and addresses, as listed on the Cooperative's billing records, and containing original dated signatures of at least one hundred (100) members entitled to vote on the Bylaw amendment; and,
 - (2) delivered to and received by the Cooperative not less than eighty (80) business days prior to the date of the member meeting at which the members will consider the proposed Bylaw amendment; and,

- (3) reviewed by the Board and determined by the Board to be in proper form, lawful, coherent and consistent with other provisions of the Bylaws and not altered or modified after delivery to the Cooperative.
- (b) Notice Of Bylaw Amendments. Notice of any member or Board meeting at which a proposed Bylaw amendment will be considered shall be dated and must:
 - (1) state that one of the purposes of the Board or member meeting, as the case may be, is to consider the proposed Bylaw amendment; and,
 - (2) contain or be accompanied by a copy or summary of the proposed Bylaw amendment.
- (c) Further Amendment. A proposed Bylaw amendment may not be further amended at a member meeting unless:
 - (1) the proposed further amendment is germane to the original Bylaw amendment; and,
 - (2) a written copy of the proposed further amendment to the original Bylaw amendment shall have been delivered to the Cooperative not more than ten (10) days after the date of the notice to the members of the original Bylaw amendment.

The Chairman shall determine the question of germaneness based upon consultation with the parliamentarian appointed for the meeting at which the original Bylaw amendment is to be considered. Written notice of any proposed further amendment to the original Bylaw amendment shall be provided to the members not less than five (5) days prior to the date of the meeting at which the proposed further amendment to the original Bylaw amendment will be presented.

- (d) Effective Date. Unless otherwise clearly stated in the resolution adopting the Bylaw amendment, approved Bylaw amendments shall become effective immediately after the adjournment of the meeting of members or the meeting of the Board of Directors, as the case may be.

ARTICLE XVI
Class Action Waiver

The Cooperative and its members agree that any proceedings to resolve or litigate any dispute, whether in arbitration, in court, or otherwise, will be conducted solely on an individual basis, and that neither the Cooperative nor any of its members will seek to have any dispute heard as a class action, a representative action, a collective action, a private attorney-general action, or any proceeding in which the Cooperative or any member acts, or proposes to act, in a representative capacity. The Cooperative and its members further agree that no arbitration or proceeding will be joined, consolidated, or combined with another arbitration or proceeding without the prior written consent of all parties to any such arbitration or proceeding.

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