

Corporate Bylaws



Revised and Approved by OREMC Board of Directors on December 27, 2018

ARTICLE I MEMBERSHIP

Section 1.01 Eligibility.

Any individual or entity ("Person") with the capacity to enter a legally binding contract with Okefenoke Rural Electric Membership Corporation (the "Cooperative") to receive electric service is eligible to become a member of the Cooperative. A person may be referred to herein as "who", "which," "that," "he," "him" or "his," all of which shall be deemed to include the feminine and masculine, the singular and plural, and the animate and inanimate. No Person shall hold more than one membership in the Cooperative.

Section 1.02 Application for Membership; Renewal of Prior Application.

- (a) Unless these Bylaws provide otherwise, or the Board of Directors waives same, any eligible Person seeking to become a member ("Applicant"), or who wishes to remain a member, must, within a reasonable time of initially using or requesting to use the Cooperative's electric service, complete the procedures and comply with the requirements stated in this Bylaw **Section 1.02**, to the Cooperative's reasonable satisfaction ("Membership Application Procedures").
- (b) Each Applicant must apply for membership in such form, substance and manner prescribed by the Cooperative from time to time. Such Membership Application shall include, without limitation, the member's agreement to:
 - 1) comply with and be bound by the Cooperative's Articles of Incorporation, Bylaws, rates, tariffs, Service Rules and Regulations, Membership Application and any other reasonable rules and regulations from time to time adopted or amended by the Cooperative, as well as any supplemental or separate contract between the Applicant and the Cooperative (the "Membership Documents"); and
 - 2) take electric service from the Cooperative and pay for same based upon such rates and terms as the Cooperative may from time to time prescribe.
- (c) Each Applicant or member must:
 - 1) pay or make satisfactory arrangement for the payment of any past-due indebtedness owed by the Person to the Cooperative, plus accrued interest thereon at the Georgia legal rate on judgments in effect when the amount first became overdue;
 - 2) pay or make satisfactory arrangement for the payment of such security deposit, membership fee, contribution-in-aid-of-construction, service connection deposit, unpaid debt to the Cooperative, or any combination of same, and such other fees or charges as may be required pursuant to the Membership Documents in effect at the time application is made, plus accrued interest thereon at the Georgia legal rate on judgments in effect when the amount first became overdue;
 - 3) satisfy all other reasonable conditions and requirements established for membership from time to time by the Board of Directors.

Section 1.03 Joint Membership.

Any two or more natural Persons, by jointly executing a Membership Application or otherwise jointly so requesting in writing, shall be accepted into joint membership or, if one of them is already a member, shall automatically convert such membership into a joint membership. The words "member," "applicant," "person," "his," and "him," as used in these Bylaws, shall include Persons applying for or holding joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing:

- (a) The presence at a meeting of one or more shall constitute the presence of one member and a joint waiver of notice of the meeting;
- (b) The vote of one or more shall constitute, respectively, one joint vote; **PROVIDED**, that if more than one casts a vote, only the first such vote shall be counted;
- (c) Notice to, or waiver of notice signed by, one or more shall constitute, respectively, a joint notice or waiver of notice;
- (d) Suspension or termination in any manner of any shall constitute, respectively, suspension or termination of the joint membership;
- (e) Only one shall be eligible to serve as a director of the Cooperative at any given time, but only if all meet the qualifications required therefor; and
- (f) None will be permitted to have any additional service connections except through their one joint membership unless such already existed prior to creation of the joint membership.

Section 1.04 Acceptance into Membership.

Upon complying with the requirements set forth in **Section 1.02**, any Applicant shall automatically become a member on the date of his connection for electric service; **PROVIDED**, the Cooperative may deny an application and refuse to extend service upon its determination that the 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 denied for other good cause.

Section 1.05 Waiver of Membership Procedures and Requirements.

Should the Cooperative ascertain that it is providing electric service to a Person who has not complied with the Membership Application Procedures, the Cooperative may either waive the Membership Application Procedures and accept the Person as a member; or, if the member fails to comply with the Membership Application Procedures within five (5) days after written request, the Cooperative may terminate electric service to such Person.

Section 1.06 Exceptions to Membership Application Procedures.

Notwithstanding **Sections 1.02** or **1.05**, an eligible Person shall automatically be a member of the Cooperative and consents to being a member upon:

- (a) initially using or requesting to use electric service provided by the Cooperative;

(b) receiving written notice from the Cooperative that electric service has been or is to be provided by the Cooperative, which notice includes direction to where the Bylaws and Service Rules and Regulations may be accessed on the Cooperative's website, and contact information should a Person wish to receive a printed copy thereof rather than accessing it on the Internet, and further states, in substance:

- 1) that the Person is automatically a member and is deemed to consent to being a member and bound by the Cooperative's Bylaws and Service Rules and Regulations as they may be hereafter adopted or amended, upon initially using or requesting to use electric service provided by the Cooperative; and
- 2) that, unless the Person notifies the Cooperative in writing within ten (10) days of the Cooperative providing such notice, that such Person does not consent to being a member.

Section 1.07 Retroactive Membership.

Upon discovery that the Cooperative has been furnishing electric service to any Person other than a member, it may cease furnishing such electric service unless such Person applies for membership in the Cooperative and complies with the Membership Application Procedures or becomes a member pursuant to **Sections 1.05 or 1.06**. The membership shall be effective retroactively to the date on which such Person first began receiving such electric service. The Cooperative, to the extent practicable, shall correct its membership records and all related records accordingly.

Section 1.08 Membership Obligations.

In consideration of the Cooperative providing electric service, each member shall comply with any reasonable requirement of the Cooperative which enhances the Cooperative's ability to provide safe and reliable electric service to the member and other members and to reduce the cost of same. Without limitation, each member shall:

- (a) purchase from the Cooperative, as soon as electric service shall be available, all central station electric energy, capacity and electric distribution service purchased for use on or to serve the premises to which electric service is provided by the Cooperative at the request of the member or the member's agent, unless temporarily prevented from receiving electric service by causes reasonably beyond the control of the Applicant or member, and pay therefor, including any monthly amount that may be charged without regard to the amount of electric energy and power actually used, under terms and at rates provided in the Membership Documents;
- (b) comply with and be bound by the Membership Documents and any other reasonable rules and regulations from time to time adopted by the Board of Directors;
- (c) upon request by the Cooperative, execute and deliver to the Cooperative grants of easements or rights-of-way over, on and under lands owned or leased by or mortgaged to the member in accordance with such reasonable terms and conditions as the Cooperative may require for the construction, operation, maintenance or relocation of the Cooperative's facilities, lines and equipment;
- (d) pay all sums due the Cooperative under the Membership Documents (when the member has more than one service connection from the Cooperative, or other

indebtedness owed to the Cooperative, any payment may be allocated and credited to the member's various service connections in whatever manner the Cooperative may determine, regardless of any attempt by the member to dictate the method of allocation or credit);

- (e) have control and total responsibility for all electric wiring, apparatus, equipment and facilities beyond the point where the Cooperative's service wires attach to the member's service entrance or, if no service entrance exists, the member's wiring;
- (f) be responsible for and indemnify the Cooperative, its employees, agents and contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of the member's premises, wiring, apparatus, equipment and facilities receiving or utilizing electric energy;
- (g) make available to the Cooperative a suitable site, as determined by the Cooperative, to place the Cooperative's physical facilities for the furnishing and metering of electric service;
- (h) permit the Cooperative's authorized employees, agents and independent contractors to have access to all Cooperative facilities at all reasonable times, safely and without interference from hostile dogs or any other hostile source, for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities; and
- (i) be the Cooperative's bailee of the Cooperative's facilities and shall accordingly desist from interfering with, impairing the operation of, or causing damage to such facilities, and shall 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, the member shall indemnify the Cooperative and its employees, agents and contractors 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 of revenues, if any, resulting from the failure or defective functioning of its metering equipment.

The foregoing obligations shall be referred to herein as "Membership Obligations." The provisions of this Section shall not be construed to prohibit members from owning and operating a distributed generation facility providing power to and located on the premises where the member receives electric service, provided that such facility, and its operation, shall comply with the Georgia Cogeneration and Distributed Generation Act (O.C.G.A. § 46-3-50, et. seq.) and such reasonable rules and regulations as may be adopted by the Cooperative to ensure the facility does not adversely impact safety, reliability, and efficiency.

ARTICLE II MEMBERSHIP SUSPENSION AND TERMINATION

Section 2.01 Suspension; Reinstatement.

A member's membership shall automatically be suspended upon his failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or to cease any other non-compliance with his membership obligations. During the period of suspension, the Person shall not be entitled to receive electric service from the Cooperative or

to cast a vote at any meeting of the members. Membership shall automatically be reinstated upon payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other noncompliance with his Membership Obligations within the final time limit provided in such notice or rules and regulations, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its members.

Section 2.02 Expulsion.

A member may be expelled from membership pursuant to such reasonable terms and conditions as may from time to time be adopted by the Board.

Section 2.03 Termination in Good Standing by Withdrawal; Resignation; Violation of Membership Obligations; or Non-Use.

A member in good standing may withdraw or resign from membership upon such generally applicable conditions as the Board of Directors shall prescribe. The Cooperative may terminate any member who fails to comply with the Membership Obligations, or who fails to purchase electric energy from the Cooperative for a period of six (6) consecutive months.

Section 2.04 Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners.

The death of an individual human member shall automatically terminate his individual membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership; **PROVIDED**, 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(s) and new partner(s), if any, as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership had never been held by different partners; **PROVIDED FURTHER**, neither a withdrawing partner nor his estate shall be released from any debts then due the Cooperative.

Section 2.05 Effect of Termination.

Upon the termination in any manner of a member's membership, he or his estate, as the case may be, shall be entitled to a refund of his membership fee (and to his service security deposit(s), if any, theretofore paid the Cooperative), less any amounts due the Cooperative; but neither he nor 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 a 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, or Request for Termination, of a Joint Membership.

Upon the death of any Person who is a part of a joint membership, such membership shall continue to be held solely by the surviving Persons in such joint membership, so long as the survivor continues receiving service from the Cooperative; **PROVIDED**, the estate of the deceased joint member shall not be released from any debts due the Cooperative. When one or more Persons who are a party to a joint membership request to be removed from the joint membership, such joint membership shall, in accordance with rules established by the Board, either:

- (a) continue, upon all parties agreeing in writing, to be held solely by the one or more Persons who continues directly to occupy or use the premises covered by and receiving service from the Cooperative through such membership, and the capital credits allocated to such joint membership shall remain with the continuing membership; or
- (b) be terminated, and any Person or Persons desiring to continue service to the premises may submit an application for service pursuant to these Bylaws;

PROVIDED, HOWEVER, in no case shall any Person be released from any debts due the Cooperative unless so declared by the Cooperative in writing.

ARTICLE III MEETINGS OF MEMBERS

Section 3.01 Annual Meeting.

For the purposes of electing 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 in September of each year, at such place in Georgia or Florida in a county in which the Cooperative serves, and beginning at such hour as the Board of Directors shall from year to year fix; **PROVIDED**, for cause sufficient to it, the Board of Directors may fix a different date for such annual meeting. 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.

A special meeting of the members may be called by the Board of Directors or by written request signed by at least ten (10%) percent of the then-total members of the Cooperative, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in **Section 3.03**. Such a meeting, if called by the Board of Directors, may be held at any place that the annual meeting may be held, pursuant to **Section 3.01**, and shall begin at such hour as the Board shall decide; if otherwise called, it shall be held in such place in the County of Brantley, in the State of Georgia, on such date not sooner than forty (40) days after the call for such meeting is made, or a written request therefor is filed, and beginning at such hour as shall be designated by those calling or petitioning for the same.

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 otherwise provided by the Georgia Code, be delivered to each member not less than five (5) days nor more than ninety (90) days before the date of the meeting, by any reasonable means, by or at the direction of the President, the Secretary (and, in the case of a special meeting, at the direction of those 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, *Georgia Magazine*, or member service billings. No matter, the carrying of which 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 notice 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, prior to or at the beginning of the meeting, of his objection.

Section 3.04 Quorum.

No vote on whether to sell, lease, lease-sell, exchange, transfer or otherwise dispose of all or substantially all of the Cooperative's property and assets may be taken or, if taken, be valid unless, at the organization of the meeting there are present in person at least ten (10%) percent of the Cooperative's then-total members; and no other business may be transacted at any meeting of the members unless, at the organization of the meeting, there are present in person at least one hundred fifty (150) members, except that, if a quorum is never established, a majority of those present in person may, without further notice, adjourn the meeting to another time and date not less than forty (40) days later and to any place in the County of Brantley, in the State of Georgia; **PROVIDED**, the Secretary shall notify all 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.

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 of the members. Voting by members shall be allowed upon compliance with the terms and conditions established by the Credentials and Elections Committee to reasonably ensure votes are cast only by members who are eligible to vote. All questions 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.

Section 3.06 Credentials and Elections Committee.

The Board of Directors shall appoint a Credentials and Elections Committee to fulfill the duties described in the Bylaws. The Committee shall consist of not less than five (5) nor more than eleven (11) members who are not members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives (as hereinafter defined) or members of the same household of any of the foregoing persons. In appointing the Committee, the Board shall have regard for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the member meeting. The Committee shall have the responsibility and authority:

- (a) to the extent such responsibility is not specified herein, to oversee and approve the form and content of the ballots for election of directors and the systems and procedures for distributing, mailing, returning, collecting, verifying and counting same;
- (b) to count all ballots or other votes cast in any election or in any other matter;
- (c) to rule upon the effect of any ballots or votes irregularly or indecisively marked or cast;
- (d) to 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, the regularity of the nomination, election of directors and the authority of Persons voting for members other than natural Persons);
- (e) to pass upon any protest or objection filed with respect to any election of directors or to conduct affecting the results of any such election;
- (f) to establish or approve and oversee the manner of conducting member registration and voting; and
- (g) to pass upon all questions that may arise with respect to the registration of members.

The Cooperative shall make available to the Committee the advice of counsel and the services of accountants, clerical staff and such members of the Cooperative staff as the Committee may reasonably require to fulfill its duties. The Committee shall serve as the arbitrator for any protest relative to whether an individual is qualified to run for director, the registration of members, the campaign activities of candidates or others, the distribution and processing of ballots, a vote count, or any other matter regarding a vote of the members. Any protest or objection relating to any such issue must be filed not later than fifteen (15) business days after the announcement of any such decision (or any earlier date that may be announced by the Committee). 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.

Section 3.07 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 essentially as follows:

- (a) Report on the number of members present in person in order to determine the existence of a quorum;
- (b) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
- (c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
- (d) Presentation and consideration of reports of officers, directors and committees;
- (e) Report on election of directors in contested races and election of directors in uncontested races;
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

Notwithstanding the foregoing, the Board of Directors may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business, the transaction of which is necessary or desirable to be conducted in advance of any other item of business; **PROVIDED**, 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 3.08 Rules for Debate, Statements or Questions.

No member gaining the floor at any meeting of the members may debate, make a statement or pose questions or otherwise command the time of the members for more than five (5) minutes unless such member has presented written notice of the subject matter of the issue(s) which the member wishes to debate, make a statement about, or question, to the General Manager or his designee not later than fifteen (15) days preceding the meeting at which the member seeks to address such issue(s); **PROVIDED**, that this limitation may be waived by the Board of Directors or the majority vote of the members present and voting at a member meeting.

ARTICLE IV DIRECTORS

Section 4.01 Number and General Powers.

The business and affairs of the Cooperative shall be managed by a board of nine (9) directors. 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 directors, for the purpose of serving in an advisory or recommendatory capacity to the Board.

Section 4.02 Qualifications.

To be eligible to become, or remain, a nominee for director or a director, a member must:

- (a) Be eighteen (18) years of age or older.
- (b) Be a member of the Cooperative in good standing. To be considered to be "in good standing," the member must not be in default of any obligation to the Cooperative.
- (c) Reside within the director district to be represented.
- (d) Not have been, within five (5) years immediately preceding the date of the annual meeting in which the directorship is to be voted upon: (i) an employee of the Cooperative; (ii) an employee, director or owner of a substantial interest in a competing utility or enterprise; (iii) an employee, director or owner of substantial interest in an enterprise with a substantial contract with the Cooperative; (iv) a close relative of an employee or a director of the Cooperative; (v) a close relative of an employee, director or owner of a substantial interest in a competing utility or enterprise; or (vi) a close relative of an employee, director or owner of a substantial interest in an enterprise with a substantial contract with the Cooperative. Notwithstanding the foregoing, the Credentials and Elections Committee may determine that an employment, membership or financial interest in a vendor or competitor (i.e., subsections (ii), (iii), (v) and (vi)) is, in the judgment of the Credentials and Elections Committee, so small or incidental as not to pose a reasonable prospect of a pervasive conflict of interest such as should disqualify the Person from service as a Cooperative director. The Cooperative shall, however, fully disclose in the election materials any such employment, membership or financial interest of any nominee approved by the Credentials and Elections Committee pursuant to this Section.
- (e) Not have been convicted of, or plead guilty or nolo contendere to, a felony.
- (f) Not have been, within five (5) years immediately preceding the date of the annual meeting in which the directorship is to be voted upon, convicted of, or plead guilty or nolo contendere to, any misdemeanor involving dishonesty.
- (g) Not have been removed for cause from the Board of Directors, or the board of directors of any other corporation or entity.
- (h) While serving as a director, not have failed to attend more than three (3) regular meetings of the Board of Directors during any twelve (12) consecutive such meetings, except when such absence is excused by a unanimous vote of the remaining directors.

Section 4.02.1 Director Districts. Effective September 9, 2017

District #	FLORIDA	GEORGIA
1	Baker County	

2	Nassau County	
3		East Brantley County (all of Brantley County east of the big Satilla River) and all of Wayne County
4		Middle Brantley County (all of Brantley County bound by the big Satilla River on the east and Georgia Highway 121 on the west).
5		West Brantley County (all of Brantley County west of Georgia Highway 121) and all of Ware County
6		Northwest Camden County (all of Camden County except that portion lying both south of the Satilla River and east of I-95)
7		Charlton County
8		Glynn County
9		Southeast Camden County (all of Camden County lying both south of the Satilla River and east of I-95)

The foregoing boundaries may be altered by the affirmative vote of not less than two-thirds (2/3) of the Board of Directors.

Section 4.03 Manner of Voting and Election of Directors.

Directors shall be elected to fill the seats for those directors whose terms are expiring at each annual meeting. Voting shall be by secret written ballot as prescribed in **Sections 4.06**, through **4.09**, below; **PROVIDED**, however, that when a nominee has no opposition, secret written ballots shall be dispensed with in respect to that particular election and voting may be conducted at the annual meeting of the members by voice vote or in any other proper manner. Directors shall be elected by a majority 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 as soon as reasonably feasible.

Section 4.04 Tenure.

Directors shall be so nominated and elected that three (3) directors shall be elected for three-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 the next annual meeting of the members. Failure of an election for a given year shall allow the incumbent(s) whose directorship(s) would have been voted on to hold over only until the next member meeting at which a quorum is present and they or their successors shall be elected and shall have qualified.

Section 4.05 Nominations.

- (a) The Board of Directors shall appoint, not less than one hundred eighty (180) days prior to the date of a meeting of the members at which directors are to be elected, a Committee on Nominations, consisting of not less than five (5) nor more than eleven (11) members of the Cooperative who are not existing Cooperative employees, agents, officers, directors or known candidates for director, who are not close relatives

(as hereinafter defined) or members of the same household thereof, and who are so selected as to give equitable representation thereon to the areas served by the Cooperative. The Committee shall prepare and post at the principal office of the Cooperative, at least one hundred fifty (150) days before the meeting, a list of nominations for directors to be elected. The Committee may include as many nominees for any director to be elected as it deems desirable.

- (b) Any fifty (50) or more members of the Cooperative, acting together, may make additional nominations in writing over their signatures, not less than one hundred twenty (120) 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.
- (c) 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 names and addresses of all nominees, showing clearly those nominated by the Committee and those nominated by petition, if any.
- (d) At the member meeting, no nominations may be made from the floor except that such nominations may be made and shall be allowed for any directorate to be filled for which there would not otherwise be any eligible nominee. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors.

Section 4.06 Ballots.

As soon as practicable after the time for making nominations is closed, the Credentials and Elections Committee shall meet and determine the Persons duly nominated and shall cause ballots to be prepared for each director election for which there is more than one nominee. Each ballot shall:

- a) have printed thereon the name of each Person duly nominated, the manner by which each nomination was made, and identifying the incumbent, if any;
- b) have printed thereon, or be accompanied by, instructions as to the method by which a vote for a particular candidate shall be indicated;
- c) have printed thereon a notice as to the time and date by which the ballot must be received at the place designated by the Credentials and Elections Committee; and
- d) such other information as the Credentials and Elections Committee shall deem appropriate to assist the members in casting their ballots.

Section 4.07 Distribution of Ballots.

The Credentials and Elections Committee shall prescribe the form of the ballots and cause the ballots to be mailed to members in good standing on the record date set by the Cooperative, not more than ninety (90) days prior to the holding of the annual meeting of members, and any runoff election.

Section 4.08 Conduct of Election.

Each member desiring to vote shall mark his ballot according to the instructions of the Credentials and Elections Committee and shall return the ballot on or before the date specified by the Credentials and Elections Committee and set forth on the ballot. The only ballots which shall be counted are those that:

- a) are cast by members in good standing as of the record date set by the Cooperative;
- b) have been received at the address designated by the Credentials and Elections Committee on or before the date specified by the Credentials and Elections Committee; and
- c) comply with all requirements of these Bylaws and the rules and regulations and instructions prescribed by the Credentials and Elections Committee.

Section 4.09 Voting for Directors; Validity of Board Action.

In the election of directors, each member shall be entitled to cast the number of votes (but not cumulatively) which corresponds to the total number of directors to be elected, but no member may vote for more nominees than the number of directors that are to be elected. Ballots marked in violation of the foregoing restriction shall be invalid and shall not be counted. Notwithstanding the provisions contained in this Section, failure to comply with any such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors.

Section 4.10 Removal of Directors by Members.

Any member may bring one or more charges against any one or more directors, alleging acts or omissions adversely affecting the business and affairs of the Cooperative that amount to actionable negligence, malfeasance, misfeasance, nonfeasance, fraud or criminal conduct, and may request removal of such director(s) by reason thereof by filing with the Secretary such charge(s), in writing, together with a petition signed by not less than ten (10) percent of the total membership of the Cooperative, which calls for a special member meeting thereon and specifies the place, time and date thereof not less than fifty-five (55) days after the filing of such petition, or which requests that the matter be acted upon at the subsequent annual member meeting if such meeting will be held no sooner than fifty-five (55) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s), verbatim, of the director(s) against whom the charge(s) have been made and of the member(s) filing the charge(s) shall be contained in or accompany the notice of the meeting to the members not less than five(5) nor more than forty (40) days prior to the member meeting at which the matter will be acted upon; **PROVIDED**, the notice shall set forth (by random selection, but otherwise in alphabetical order) only twenty (20) of the names and addresses of the charging members if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charges after they have been validly filed and at least thirty-five (35) days prior to the meeting of the members at which the charge(s) are to be considered; shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such; to present evidence in respect to the charge(s); and shall be heard last. The Person(s) bringing the charge(s) shall have the same opportunity, and shall

be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting and it shall require the affirmative votes of not less than two-thirds (2/3) of those registered at the meeting in order to remove a director. Any vacancy created by such removal shall be filled by the affirmative votes of a majority of the votes cast at such meeting, without compliance with the foregoing provisions with respect to nominations, and nominations shall be made from the floor; **PROVIDED**, the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents, or otherwise; **AND PROVIDED FURTHER**, no director shall be so removable from office for the reason that he, in good faith and believing such to be in the best interests of the Cooperative and of its present and future members, failed or declined to support, or that he opposed: (1) a proposal to sell or lease-sell all or a substantial portion of the Cooperative's assets and properties or to dissolve the Cooperative; or (2) a motion to notify the Cooperative's members of a proposal received by the Cooperative for such a sale, lease-sale or dissolution; or (3) a motion or any other effort to call a meeting of the Cooperative's members to consider and act upon a proposal for such a sale, lease-sale or dissolution. A newly-elected director shall serve out the un-expired portion of the removed director's term.

Section 4.11 Vacancies.

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board of Directors shall be filled by the Board of Directors. A director thus elected shall serve out the un-expired term of the director whose office was originally vacated and until a successor is elected and qualified.

Section 4.12 Compensation; Expenses.

For their services as such, directors shall receive no salary, but they shall, on a per diem basis, receive such compensation, which may include insurance benefits, as is fixed by resolution of the Board of Directors. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in the performance of their duties. No close relative of a director shall be employed by the Cooperative, and no director shall receive compensation for serving the Cooperative in any other capacity unless the employment of such relative or the service of such director is temporary and shall be specifically authorized by a vote of the Board of Directors upon their resolved determination that such was an emergency measure; **PROVIDED**, 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 unanimous vote of the remaining directors; **AND PROVIDED FURTHER**, an employee shall not lose eligibility to continue in the employment of the Cooperative if he becomes a close relative of a director because of a marriage or adoption to which he was not a party.

Section 4.13 Rules, Regulations, Rate Schedules and Contracts.

The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, 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 4.14 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 financial operations during, and financial conditions 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 4.15 Subscription to Cooperative's Newsletter.

For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Directors shall be empowered, on behalf of and for circulation to the members periodically, to subscribe to the Cooperative's Newsletter, the annual subscription price for which 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 4.16 "Close Relative" Defined.

As used in these Bylaws, "close relative" means a Person who, by blood or in law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal. Notwithstanding the foregoing, however, no Person shall become unqualified to remain in his position, or to be re-elected, if he first became a close relative while already serving as an employee or director, due to a marriage or adoption to which he was not party.

ARTICLE V MEETINGS OF DIRECTORS

Section 5.01 Regular Meeting.

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 reasonably feasible, at such site as designated by the Board of Directors 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 as the Board may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require special notice; **PROVIDED**, any director absent from any meetings 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**, if a policy therefor is established by the Board, the President 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 President, 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 President, or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in Brantley County, Georgia, unless all directors consent to its being held in some other place in Georgia or elsewhere. Special meetings, upon proper notice as otherwise provided herein, 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 two-thirds (2/3) of the directors consent thereto.

Section 5.03 Notice of Director Meetings.

Notice of the date, time, place (or telephone conference call) 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 provided to each director not less than five (5) days prior thereto. Notice shall be provided either personally (by direct, in-person communication or delivery, direct phone conversation, or by confirmed receipt of e-mail, text message, or other electronic communication) or indirectly (by United States mail), by or at the direction of the Secretary. Upon a default in this duty by the Secretary, such notice shall be provided by him or those calling it in the case of a special meeting or by any director in the case of any meeting whose date, time and place have already been fixed by Board resolution. If mailed by United States mail, 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 first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. The participation of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such participation 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 participation of a majority of the directors in office shall be required for the transaction of business, and except as otherwise provided in these Bylaws, the affirmative votes of a majority of the directors participating and voting shall be required for any action to be taken; **PROVIDED**, a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of an action upon that matter, be counted in determining the number of directors in office or participating; **AND PROVIDED FURTHER**, if less than a quorum be participating in a meeting, a majority of the directors participating may adjourn the meeting from time to time, but shall cause all directors to be duly and timely notified of the date, time and place of such adjourned meeting.

Section 5.05 Board Action by Unanimous Written Consent.

The Board may also take an action required or permitted to be taken at a Board meeting if the action is:

- (a) specified in writing; and

- (b) accepted or adopted through a written or electronic signature affixed by each director eligible to vote on the action. All such written consents shall have the effect of, and may be described as, an action adopted by the Board at a meeting, and shall be included in the Cooperative's Board meeting minute book.

ARTICLE VI OFFICERS; MISCELLANEOUS

Section 6.01 Number and Title.

The officers of the Cooperative shall be a President, First Vice President, Second Vice President, Secretary and Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The office of Secretary and Treasurer may be held by the same Person.

Section 6.02 Election and Term of Office.

The officers named in **Section 6.01** shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after each 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 may be convenient. Each such officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his 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 of Directors whenever, in its judgment, the best interests of the Cooperative will be served thereby.

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 un-expired portion of the term.

Section 6.05 President.

The President shall:

- (a) Be the principal officer of the Cooperative and shall preside at all meetings of the Board of Directors, and, unless determined otherwise by the Board of Directors, at all meetings of the members;
- (b) 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 President of the Board of Directors and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.06 Vice President.

In the absence of the President, or in the event of his inability or refusal to act, the First Vice President shall perform the duties of the President. In the absence of the President or the First Vice President, or in the event of their inability or refusal to act, the Second Vice President shall perform the duties of the President. The officer so acting shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned 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 of the Board of Directors in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all 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;
- (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;
- (e) Sign, with the President, certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors;
- (f) Have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) Keep on file at all times a complete copy of the 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 member; and
- (h) In general, perform all duties incident to the office of the 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;
- (b) Be responsible for the receipt and issuance of 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 by the Board of Directors; and
- (c) In general, perform all 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.

The Board of Directors 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 the Secretary’s and Treasurer’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 General Manager; Executive Vice President.

The Board of Directors may appoint a General Manager, who may be, but who shall not be required to be, a member of the Cooperative, and who also may be designated Executive Vice President. 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.

Section 6.11 Bonds.

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 costs of all such bonds shall be borne by the Cooperative.

Section 6.12 Compensation; Indemnification.

The compensation, if any, of any officer or agent who is also a director or close relative of a director shall be determined as provided in **Section 4.12** of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefor approved by the Board of Directors. Not inconsistently with **ARTICLE EIGHT (8)** of the Cooperative’s Articles of Incorporation, the Cooperative shall indemnify directors and officers, including the General Manager (and/or if so titled, the Executive Vice President), and may, but shall not be obligated to, indemnify one or more of its other agents and employees to the fullest extent allowable by law, including but not limited to the Georgia Code Sections 46-3-306, 51-1-

20 and 20.1, and 14-3-850 through 14-3-858 and may purchase insurance to cover such indemnification in such amounts as are fixed by the Board of Directors.

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, agent or employee 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 or countersigned by such officer, agent or employee 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 received by 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 NON-PROFIT OPERATION

Section 8.01 Non-Profit Operation.

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members.

Section 8.02 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, members and non-members alike, 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 members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

Section 8.03 Patronage Capital - Accounts.

The Cooperative shall allocate and credit to a capital account for each member 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 calendar year, the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member. Notwithstanding any other provision of these Bylaws to the contrary, the Board of Directors, in its discretion, may allocate capital credits for any specific rate or class of members, based upon rates and cost of service for that rate or that class of members.

Section 8.04 Patronage Capital – Status of Such – Security Interest.

All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital. All such capital shall be held subject to the security interest provided in Section 8.11 below.

Section 8.05 Non-Operating Income – Allocation.

All amounts received by the Cooperative from non-patronage sources in excess of costs and expenses shall, insofar as permitted by law, be:

- (a) Used to offset any losses incurred during the current or any prior calendar year;
- (b) To the extent not needed for that purpose, allocated as capital credits to members in the same manner as the Cooperative allocates capital credited to the accounts of members; or
- (c) Used by the Cooperative as permanent, non-allocated capital.

Notwithstanding any provision of this Article VIII, the amount to be credited to the capital of members on account of their patronage shall be no less than the greater of alternative minimum taxable income or regular taxable income resulting from their patronage as determined under Federal income tax law.

Section 8.06 Patronage Capital – From Other Organizations.

Notwithstanding any other provision of these Bylaws, the Board shall have the power to adopt rules providing for the separate accounting for and retirement of such other amounts of capital credited to the accounts of the Cooperative by other organizations in which the Cooperative is a member (“Affiliated Capital Credits”).

Section 8.07 Patronage Capital – Dissolution.

In the event of dissolution or liquidation of the Cooperative, to the extent that sufficient assets are available:

- (a) All debts and liabilities of the Cooperative shall be paid; then

- (b) All capital furnished through patronage shall be retired without priority on a pro rata basis; then
- (c) Any remaining property and assets of the Cooperative shall be distributed, to the extent possible, among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the period of the Cooperative's existence.

Section 8.08 Patronage Capital – Distribution Prior to Dissolution.

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 members' accounts may be retired in full or in part.

Section 8.09 Patronage Capital – Early Distribution to Estates or Representatives of Deceased Members.

Notwithstanding any other provisions of these Bylaws, the Board of Directors, in its discretion, shall have the power, at any time upon the death of any natural Person who is a member, if the legal representatives of such member's estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board of Directors shall require; **PROVIDED**, however, that the Board of Directors shall have determined that the financial condition of the Cooperative will not be thereby impaired. Terms and conditions applicable to early retirement of capital credits may include, without limitation, the requirement to repay any debt owed the Cooperative, the reduction of such amount to present value (i.e., deduction of sums designed to reflect the immediate payment of what is a future, contingent right), and the donation of all amounts which may remain after the reduction of Capital Credits to present value, any allocated but unpaid Affiliated Capital Credits, and any earned but unallocated Capital Credits for the current or prior calendar year.

Section 8.10 Patronage Capital – Distribution to Former Members.

Notwithstanding any other provisions of these Bylaws, the Board of Directors, at its discretion, shall have the power, after the termination of a member's membership as provided in Article II of the Bylaws, to retire capital credited to any such former member upon such terms and conditions as the Board of Directors, acting under policies of general application, shall establish; **PROVIDED**, however, that the Board of Directors shall have determined that the financial condition of the Cooperative will not be impaired thereby. Terms and conditions applicable to early retirement of capital credits may include, without limitation, the requirement to repay any debt owed the Cooperative, the reduction of such amount to present value (i.e., deduction of sums designed to reflect the immediate payment of what is a future, contingent right), and the donation of all amounts which may remain after the reduction of Capital Credits to present value, any allocated but unpaid Affiliated Capital Credits, and any earned but unallocated Capital Credits for the current or prior calendar year.

Section 8.11 Patronage Capital – Cooperative's Security Interest and Rights of Recovery.

Notwithstanding any other provision of these Bylaws, all amounts credited to the capital account of any member pursuant to this Article, and any other sums held by the Cooperative which are payable or may become payable to such member, shall be held by the Cooperative subject to a security interest in favor of the Cooperative to secure the payment of all debts of such member to the Cooperative, whether for electric service or otherwise. The Cooperative may recoup, offset, or set off the amount of any such debt to the Cooperative from any amount which is payable from the Cooperative to such member or former member.

Section 8.12 Patronage Capital – Contract with Patron.

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.

Section 8.13 Patronage Capital – Board Discretion.

The Cooperative may retire and pay Capital Credits and/or Affiliated Capital Credits only if the Board of Directors determines that the retirement and payment will not adversely impact the Cooperative’s financial condition or its ability to meet its future obligations. Consistent with this Bylaw, the retirement and payment of Capital Credits and Affiliated Capital Credits are in the sole discretion of the Board of Directors and are not affected by previous retirements and payments. The Board of Directors shall determine the method, amount, basis, priority and order of allocation and retirement, if any, for all amounts heretofore and hereafter furnished as capital.

**ARTICLE IX
WAIVER OF NOTICE**

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

**ARTICLE X
DISPOSITION AND PLEDGING OF PROPERTY;
DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION**

Section 10.01 Disposition and Pledging of Property.

- (a) The Cooperative’s Board of Directors, without requirement of the members’ vote or consent, is empowered to authorize any sale, lease, lease-sale, exchange, transfer 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 Georgia Code Section 46-3-400.

(b) The sale, lease, lease-sale, exchange, transfer 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 Georgia Code Section 46-3-401 and **Section 10.02** 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, transfer or disposition:

- 1) The Board of Directors shall first appoint three (3) persons, each of whom or which is independent of the Cooperative and of the other two (2), and each being expert in electric utility property evaluations, and commission them, separately, to study, appraise and evaluate such assets and properties, including their going concern value and the values associated with the right of the members to participate in the ownership and control of the Cooperative. Such appraisers shall be instructed to and shall take into account any other factors they may deem relevant in determining the present market value of such assets and properties. Within not more than sixty (60) days after their appointment and commission, each appraiser shall render his or its highest determination of such present value. The Board of Directors shall not recommend and submit for member approval any plan to sell, lease, lease-sell, exchange, convey, transfer or otherwise dispose of such assets and properties for a consideration that is less than the highest such determination rendered by the appraisers; nor shall it, following the expiration of one (1) year after receipt of the appraisers' reports, make such a recommendation and submittal without, again, first complying with the foregoing requirements.
- 2) If, after receiving such appraisals, the Board of Directors resolves to pursue the matter further, it shall, within sixty (60) days after such resolution, transmit the appraisals, together with any underlying data and information that may have accompanied them, to every other electric membership corporation corporately sited and operating in Georgia and invite them to submit competing or alternative proposals, including proposals to merge or consolidate with the Cooperative. Such appraisals shall also be accompanied by any proposal for such a sale, lease, lease-sale, exchange, conveyance, transfer or other disposition received by the Cooperative within one (1) year prior to the receipt of the last appraisal or received subsequent thereto but prior to the adoption of such resolution; **PROVIDED**, only the most recent proposal from a person that has made two (2) or more proposals need be so transmitted. Such other electric membership corporations shall be given at least sixty (60) days within which to submit competing or alternative proposals, and they shall be notified in such transmittal of the actual final date for such submissions.
- 3) If, after such date, the Board of Directors so resolves, it shall recommend and submit to the members:
 - a. A proposal for such a sale, lease, lease-sale, exchange, conveyance, transfer or other disposition; or
 - b. A proposal to merge or consolidate the Cooperative with one or more other electric membership corporations, but shall accompany the proposal with verbatim copies of all competing or alternative proposals it has received, together with all of the appraisals.

The Board of Directors shall submit such recommendation and information to the members and shall, at the same time, call and give notice of a special meeting of the members thereof, or, if it so determines, notify the members that the matter

will be considered and acted upon at the ensuing annual member meeting, in any event stating in detail each of any such proposals. The special or annual meeting shall be held not less than ninety (90) days after the giving of such notice thereof.

- 4) Any two hundred (200) or more members of the Cooperative may, over their respective signatures and within not less than forty-five (45) days prior to the date of such member meeting, petition the Cooperative to mail to all of the Cooperative's members any statement of opposition of the Board of Director's recommendation and/or of their own recommendation that a competing or alternative proposal, which may be or include a proposition to merge or consolidate the Cooperative with one or more other electric membership corporations, be submitted to and acted upon by the members at such meeting, in which event the Board of Directors shall cause a printed copy of the petition, including the printing of the names of the member signatories thereof, together with a printed copy of the statement, to be transmitted to all of the Cooperative's members via the United States mail not less than twenty-five (25) days prior to such member meeting, with the cost of such printing and mailing to be borne by the Cooperative. When so mailed, such petition and statement shall constitute sufficient notice of any such competing or alternative proposal for the same to be considered and acted upon at such meeting.

The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric membership corporations; or if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric cooperatives; or if such is in the nature of a forced sale for the reason that the purchaser possesses and otherwise would exercise the legal right to acquire, damage, relocate or destroy such property by condemnation or otherwise without the Cooperative's consent.

- (c) No offer to purchase or lease-purchase and no offer to sell, lease, lease-sell, exchange, transfer or otherwise dispose of all or substantially all of the Cooperative's assets and properties shall be valid or, if made and accepted, enforceable unless the total consideration to be paid or otherwise furnished therefor, to the extent that the same is in excess of the amounts necessary to discharge or to provide for the discharge of the Cooperative's liabilities, shall be distributed to, or if such be the case, allocated and assigned to, the patrons or former patrons of the Cooperative in the manner provided for in the Articles of Incorporation, Bylaws or applicable law.

Section 10.02 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 be distributed in accordance with Article VIII of these Bylaws; **PROVIDED, HOWEVER,** 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 nonprofit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE XI FISCAL YEAR

The Cooperative's fiscal year shall begin on the first day of January of each year and end on the 31st day of December of the same year.

ARTICLE XII RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, of 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 the Cooperative's Articles of Incorporation or Bylaws. This Article shall be subordinate to any other provision of these Bylaws pertaining to the votes required for action by members, directors or committees.

ARTICLE XIII SEAL

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

ARTICLE XIV AMENDMENTS

Section 14.01 Power to Amend.

Subject to the provisions of Georgia Code Section 46-3-325, these Bylaws may be changed (altered, amended or repealed) by the affirmative vote of not less than a majority of the total directors in office, or by a majority of the votes cast by the members represented at any regular or special Board or member meeting, as the case may be; **PROVIDED**, either the Board of Directors or the members may change any bylaw if, as established by law, such bylaw is illegal or has become a legal nullity.

Section 14.02 Procedure for Amending.

A bylaw may be changed only if:

- a) A copy or an accurate summary explanation of the proposed change is contained in or with the notice of the member or Board meeting at which it is to be acted upon; and
- b) If to be acted upon by the members, it is sponsored by the Board of Directors or at least fifty (50) members who, over their signatures, file with the Cooperative a petition proposing such change and setting forth with particularity the wording thereof and the time that the change is to become effective, at least forty-five (45) days prior to the date of the member meeting at which such change will be acted upon;

PROVIDED, if the Cooperative is presented with a written request by one or more, but less than fifty (50) members, that a bylaw change be noticed to and acted upon by the members, and if the request sets forth with particularity the wording of the proposed change and the time that it

is to become effective, the Board of Directors may, but shall not be obligated to, waive the foregoing petition requirement and cause such proposed change to be noticed and acted upon; **PROVIDED FURTHER**, the Board of Directors shall not permit any amendment to a proposed bylaw change to be acted upon if it determines that such, if adopted, would be illegal or a legal nullity. A change so noticed may not be amended from the floor of the member meeting or Board meeting at which it is being considered.

