

JACKSON ELECTRIC MEMBERSHIP CORPORATION

BYLAWS

ARTICLE I Member-Customers

Section 1 Qualifications and Obligations. Any natural person, firm, association, electric membership corporation, foreign electric cooperative, corporation, domestic or foreign, limited liability company, business or other trust, partnership, Federal agency, state or political subdivision or other entity (each hereinafter referred to in this section as "applicant") to which the Cooperative may lawfully provide electric service, may become a member-customer in the Cooperative, under such conditions and terms as may be prescribed by the Board of Directors. The applicant must also agree to purchase from the Cooperative electric energy as hereinafter specified and agree to comply with and be bound by the articles of incorporation of the Cooperative, these bylaws and any amendments thereto, and such rules and regulations as may from time to time be adopted by the Board of Directors provided, however, that an applicant shall become a member-customer unless disapproved by the Board of Directors. A member-customer who purchases electric energy and service for resale shall be a "wholesale member-customer." All other member –customers shall be "retail member-customers." The term "member-customer" as used herein shall refer to both retail and wholesale member-customers. Pending membership applications shall be submitted to the Board of Directors at each regular meeting of the Board. No member-customer may own more than one (1) membership in the Cooperative and a member-customer shall be entitled to only one (1) vote in the exercise of the person's rights as a member- customer of Jackson EMC.

The term "member-customer" as used in these bylaws shall include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Unless one or both request in writing that the membership shall be singular and held by only one of them, the membership of lawfully married persons shall be deemed a joint membership. The words "member-customer," "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 records of the Cooperative; and all provisions relating to the rights, powers, terms, conditions, responsibilities, and liabilities of membership shall 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-customer and a joint waiver of notice of the meeting.
- b. The vote of either or both shall constitute one joint vote: PROVIDED, that if both be present but in disagreement on such vote, each shall cast only one-half (1/2) vote.
- c. Notice to, or waiver of notices signed by, either or both shall constitute, respectively, a joint notice or wavier of notice.
- d. Suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership.
- 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 2 Membership Fee. The membership fee shall be set by the Board of Directors, payment of which shall make the member-customer eligible for membership in the Cooperative. An additional fee, as approved by the Board, shall be paid for each retail service connection by a member-customer. Such fees are not subject to refund.

Section 3 Purchase of Electric Energy. Each retail member-customer shall, as soon as electric energy shall be available, purchase from the Cooperative all central station electricity used on the premises referred to in the membership application of such retail member-customer, and shall pay therefor at rates which shall from time to time be fixed by resolution of the Board of Directors; provided, however, that the electric energy which the Cooperative shall furnish to any retail member-customer may be limited to such an amount as the Board of Directors shall from time to time determine. The terms of service under which the Cooperative shall furnish electric energy and service to a wholesale member-customer shall be as prescribed in a separate written contract between the Cooperative and such wholesale member-customer. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by member-customers as capital and each member-customer shall be credited with the capital so furnished as provided in these bylaws. Each member-customer shall pay to the Cooperative such minimum amount as shall be fixed by the Board of Directors from time to time, regardless of the amount of electric energy consumed. Each member-customer shall also pay all obligations which may from time to time become due and payable by such member-customer to the Cooperative, as and when the same shall become due and payable.

Section 4 Non-liability for Debts of the Cooperative. The private property of the member-customers of the Cooperative shall be exempt from executions for the debts of the Cooperative, and no member-customer shall be individually liable or responsible for any debts or liabilities of the Cooperative.

Section 5 Expulsion of Member-customers. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the member-customers thereof, expel any member-customer who shall have violated or refused to comply with any of the provisions of the articles of incorporation of the Cooperative, or these bylaws, or any rules or regulations adopted from time to time by the Board of Directors. Any member-customer so expelled may be reinstated as a member-customer by a vote of the member-customers at any Annual or Special Meeting of the member-customers. The action of the member-customers with respect to any such reinstatement shall be final.

Section 6 Withdrawal of Membership. Any member-customer may withdraw from membership upon payment in full of all debts and liabilities and satisfaction of all obligations of such member-customer to the Cooperative, and upon compliance with such terms and conditions as the Board of Directors may prescribe.

Section 7 Transfer and Termination of Membership.

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

tive. Nor shall such termination of membership result in any loss of equity which the member-customer might otherwise have in the margins of the Cooperative as a result of his capital contribution.

- b. 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 divorce of the holders of a joint membership, such membership shall be assigned to the party as the court order directs, or if the court order does not direct or if the Cooperative is not made aware of the court order, and upon termination of the joint membership, the accounts of the former couple shall be reestablished as determined by the Cooperative: PROVIDED, that the other spouse shall not be released from any debts due the Cooperative.

Section 8 Request for Information. In accordance with Chapter 34-C, 510 of HB 136, Georgia, 1981, any member-customer has the right to request pertinent information relative to the business of the Cooperative.

ARTICLE II Meetings of Member-Customers

Section 1 Annual Meetings. The annual meeting of the member-customers shall be held during either the month of September or October each year on a date as established by the Board of Directors, at such place at Jefferson, in the County of Jackson, State of Georgia, as shall be designated in the notice of the meeting, for the purpose of concluding and announcing the results of the election of directors, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may legally come before the meeting. If the election of directors shall not be concluded on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the member-customers as soon thereafter as conveniently may be. Failure to hold the annual meeting at the designated time shall not work a forfeiture of the charter or dissolution of the Cooperative.

Section 2 Special Meetings. Special meetings of the member-customers may be called by written request of the majority of directors or upon a written request signed by at least ten percent (10%) of all the member-customers, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the member-customers may be held at any place within the County of Jackson, in the State of Georgia, specified in the notice of the special meeting.

Section 3 Notice of Member-Customers' Meetings. A notice stating the place, day and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) days nor more than ninety (90) days before the date of the meeting, either personally, by mail, or other reasonable means to each member-customer of record entitled to vote; If mailed, such notice shall be deemed to be delivered five (5) days from deposit in the United States mail, if mailed other than by first class mail. The notice shall be addressed to the member-customer at the member-customer's address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both joint

member-customers. The failure of any member-customer to receive notice of an annual or special meeting of the member-customers shall not invalidate any action which may be taken by the member-customers at any such meeting.

Section 4 Quorum. One hundred fifty (150) of the member-customers present at the beginning of the meeting shall constitute a quorum for the transaction of business at all meetings of the member-customers. The quorum required to conduct a contested director election shall be the timely receipt of at least one hundred fifty (150) ballots, whether cast at the annual meeting or during the Early Voting Period. In case of a joint membership, the presence at a meeting of either husband or wife, or both, shall be regarded as the presence of one member-customer. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

Section 5

1. Voting. Each member-customer shall be entitled to one (1) vote, and no more, upon each matter submitted to a vote of the member-customers. Subject to the quorum requirements, all questions submitted to a vote of members shall be decided by a vote of a majority of the member-customers voting thereon, except as otherwise provided by law, the articles of incorporation of the Cooperative, or these bylaws. If a husband and wife hold a joint membership they shall jointly be entitled to one (1) vote, and no more, upon each matter submitted to a vote of the member-customers. Voting by member-customers other than member-customers who are natural persons shall be allowed upon the presentation to the Cooperative, of satisfactory evidence entitling the person presenting the same to vote. No member-customer shall have the right to cumulate his votes by giving one candidate a vote, or votes, equal to his vote multiplied by the number of directors to be elected, or by distributing such votes on the same principal among any number of such candidates.

Unless otherwise provided in the Articles of Incorporation or in the bylaws of the Corporation, meetings of member-customers shall be conducted in accordance with the latest edition of *Robert's Rules of Order*; however, failure to so conduct any meeting shall not render invalid any action taken at such meeting, unless objection citing such failure is made at the time such action is taken.

2. Manner of Voting in Director Elections. Directors shall be elected by the majority of the valid votes cast by the member-customers. Voting in the 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. If there is a contested election, the Credentials and Elections Committee shall approve the form of ballots, establish the dates, times and locations for member-customers to cast their ballot during the Early Voting Period, and approve the procedures for ensuring ballot security and for conducting registration and voting. During the Early Voting Period, member-customers entitled to vote may cast their ballot in person at such locations and during such time periods and in accordance with such procedures as are approved by the Credentials and Elections Committee. Should no candidate receive the requisite majority, a run-off election shall be conducted between the candidates receiving the two highest number of votes in the prior balloting. The rules, method and dates for the run-off election shall be established by the Credentials and Elections Committee, provided, however, that voting in the run-off election shall end not later than one hundred and twenty (120) days after the Annual Meeting.

3. Early voting Period.

The "Early Voting Period" shall be a specified period prior to the annual meeting during

which member-customers may cast their vote in contested director elections in person and in the time, place and manner established by the Credentials and Elections Committee. Whenever there is a contested director election, the Credentials and Elections Committee shall: (1) designate a period of not less than five (5) days during the fourteen (14) days prior to the annual meeting to be the Early Voting Period, and (2) ensure that notice is provided to member-customers of voting procedures and the dates, times and places at which member-customers may cast their ballot during the Early Voting Period.

Section 6 Order of Business. The order of business at the annual meeting of the member-customers, and so far as possible at all other meetings of the member-customers, shall be essentially as follows:

1. Report on member-customers present to verify having a quorum.
2. Submission of proof of the publication and mailing of the notice of the annual meeting.
3. Reading of unapproved minutes of previous meetings of the member-customers and the taking of necessary action thereon.
4. Presentation and consideration of, and action upon, reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

Section 7 Credentials and Election Committee. The Board of Directors, may, before or during any meeting of the member-customers, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of member-customers not less than three (3) nor more than nine (9). Committee members shall not be members of the Nominating Committee, Cooperative employees, directors or candidates for director. Furthermore, a Committee member shall not be a close relative of any of the foregoing persons (i.e., any person who cannot be a member of the Committee). In appointing the Committee, the Board may consider the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary. It shall be the responsibility of the Committee:

- a. to resolve any disputes or questions concerning the validity of petitions of nomination and the qualification of candidates for election to the Board of Directors of the Cooperative;
- b. to approve the form of ballots for contested director elections, establish the dates, times and locations for members to cast their ballot during the Early Voting Period and any run-off election and approve the procedures for ensuring ballot security, conducting registration and voting by members.
- c. to tabulate all ballots or votes cast;
- d. to rule on the effect of any ballots or votes irregularly marked or cast;
- e. to resolve any dispute concerning the eligibility of any individual to cast a ballot, to

vote or to register for or participate in any meeting of members;

- f. to rule upon all other questions that may arise relating to member-customer voting, the election of directors and the participation in meetings of members; and
- g. to render opinions on other issues submitted to the Credentials and Elections Committee by the Board of Directors.

Any protest or objection concerning any ballot or vote must be in writing, signed by one or more member-customers ("Protester(s)"), and filed with the Chairman or Secretary of this Committee or their designee(s) not later than 5:00 p.m., on the third (3rd) business day following the adjournment of the meeting in which the voting is conducted. The Committee shall, after the Chairman's notice to all affected candidates, be reconvened. The Committee shall hear such evidence as is presented by the Protester(s) and any affected candidate, all of whom may be heard in person, by counsel, or both. The Committee shall, within thirty (30) days after such hearing, render its decision. The Committee shall act by majority vote and may not act on any matter unless a majority of the Committee is present at a meeting. The Committee's decision on all matters covered by this Section shall be final.

Without limiting the foregoing duties and prerogatives of the Committee, upon request of the person presiding at the meeting, or any member-customer entitled to vote at the meeting, the Committee shall make a report, in writing, of any challenge, questions, 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.

As used in this Section, "close relative" means a person who, by blood or by marriage, 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.

In the exercise of its responsibility, the Committee shall be paid such per diem as the Board may determine and for mileage expenses for transportation to meetings of the Committee in an amount equal to the deductible amount authorized from time to time by the Internal Revenue Service.

In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative.

ARTICLE III Directors

Section 1 General Powers. The business and affairs of the Cooperative shall be managed by a board of nine (9) directors, which shall exercise all of the powers of the Cooperative except such as are by law, or by the articles of incorporation of the Cooperative, or by these bylaws conferred upon or reserved to the member-customers.

Section 2 Qualifications and Tenure. At each annual meeting of the member-customers, three (3) directors shall be elected, by and from the member-customers, to serve for a term of three years, or until their successors shall have been elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of directors, in the following rotation: one from Hall County or Lumpkin County, one from Barrow County, one from Gwinnett County, one from Banks County or Franklin County, one from Jackson County, one from Madi-

son County or Oglethorpe County, one from Clarke County, one from Jackson County, and one from Gwinnett County. A person shall be eligible to qualify as a candidate, run for, or remain a director in the Cooperative only if such person:

1. will be eighteen (18) years of age or older on the date of election; and
2. is a member-customer of the Cooperative and bona fide resident of one of the counties represented; and
3. is receiving service from the Cooperative at his primary residence, unless temporarily prevented from doing so by causes beyond such member-customer's control; and
4. is not a member of, employed by or financially interested in an enterprise or organization which competes with the Cooperative or regularly contracts with the Cooperative, except such employment, membership or financial interest which 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 (PROVIDED, however, that this determination shall be made by the Credentials and Election Committee if the person is a potential nominee or candidate for director; or if the directors, excluding the director in question, request the Committee to rule); and
5. is not currently, nor has been within the five (5) years immediately preceding the date of the election, an employee of the Cooperative, an employee or director of a competing utility or enterprise, a close relative of an employee of the Cooperative, or a close relative of an employee or director of a competing utility or enterprise. As used in this Section, "close relative" means a person who, by blood or by marriage, 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; and
6. is not the incumbent of or candidate for an elective public office in connection with which any remuneration is received either as a salary, fee, per diem, or reimbursement for services in any form; and
7. has not failed to attend more than four (4) consecutive meetings of the board, except when such absence is excused by a vote of the board of directors for reasonable cause, or who has not failed to attend, for any reason, twelve (12) consecutive meetings of the board, or who has not been determined by the Credentials and Election Committee to be incapable of fulfilling the duties of a director.

When membership is held jointly by a husband and wife, either one, but not both, may be elected a director; provided, however, that neither one shall be eligible to become or remain a director, or hold a position of trust in the Cooperative, unless both shall meet the qualifications hereinabove set forth.

Nothing contained in this section shall affect 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 a provision of this Section and in which one or more of the directors have an interest materially adverse to that of the Cooperative.

Upon establishment of the fact, by a preponderance of the evidence that a Director is holding the office in violation of any one of the foregoing provisions, the Board shall remove such Director from office. The Board of Directors may task the Credentials and Elections Committee, in accordance with Article II Section 7 herein, to assist in resolving disputes or uncertainties, giving all parties involved due process and fair opportunity to address the Credentials and Elections Committee, by themselves or through legal counsel, and present

evidence supporting their position(s).

Section 3 Amendments to County Representation of Directors. Notwithstanding the allocation of directors among the counties served by the Cooperative, the Board may, at such time that a director's office becomes vacant due to resignation, failure to meet the qualifications as set forth in Article III, Section 2 of these bylaws, or death, by two-thirds (2/3) majority vote, determine that the allocation of directors among the counties should be changed, as appropriate, to correct any significant inequitable disparity in the representation of the membership on the Board. Written notice stating the amendments made pursuant to this Section shall be provided to the members not less than five (5) days prior to the date on which the nominating committee for the next annual meeting shall first convene.

Section 4 Nominations. It shall be the duty of the Board of Directors to appoint, not less than two hundred ten (210) days before the date of the meeting of the member-customers at which directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) member-customers, who shall be selected as to give equitable representation on the committee to the geographical areas served or to be served by the Cooperative. The membership shall be notified of the the provisions of these bylaws related to the director election process at least thirty (30) days prior to any nomination of directors. No officer or member of the Board of Directors shall be appointed a member of such committee. The committee shall prepare and post at the principal office of the Cooperative at least one hundred eighty (180) days before the meeting a list of nominations for directors, but any fifty (50) or more member-customers may make other nominations by petition in writing over their signatures not more than two hundred (200) days and not less than one hundred fifty (150) days prior to the day of the meeting, and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted. Nominating petitions shall be delivered during normal business hours (8:00 a.m. to 5:00 p.m.) to the corporate office in Jefferson, Georgia. Nominating petitions shall:

- (1) List on each page the name of the member-customer to be nominated;
- (2) Indicate on each page the director seat (by naming the incumbent director, or if no incumbent, the county or counties represented) for which the member-customer so nominated will run; and
- (3) Contain the printed names, addresses, telephone numbers and original dated signatures of at least fifty (50) member-customers in good standing, all of whom signed the petition within ninety (90) days of the first signature and within one hundred and twenty (120) days of the petition's delivery to the Cooperative.

The Secretary shall mail, with the notice of the meeting, a statement showing the number of directors to be elected. Unless all persons properly nominated to run for a particular seat on the Board of Directors are deceased or withdraw in writing from candidacy prior to the election, no other nominations shall be in order. The member-customers may at any meeting at which a director or directors shall be removed, as hereinbefore provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything in this section contained, failure to comply with any of the provisions of the section shall not affect in any manner whatsoever the validity of any election of directors.

Section 5 Vacancies. Subject to the provisions of these bylaws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors, and directors thus elected shall serve for the unexpired term or until their successors shall have been elected and shall have qualified.

Section 6 Compensation. Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors a fixed sum per diem and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors, committee meetings, and attendance on other business of the Cooperative. Except in emergencies, no director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director be employed and receive compensation for serving the Cooperative, unless such compensation shall be specifically authorized by a vote of the member-customers.

Section 7 Rules and Regulations. The Board of Directors shall have power to make and adopt such policies, rules, and regulations, not inconsistent with law, the articles of incorporation of the Cooperative, or these bylaws as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

Section 8 Account System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system, which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service (RUS, formerly REA) of the United States of America. The Board of Directors shall, as soon as practicable, after the close of each audit year cause to be made a complete audit of the accounts, books, and financial conditions of the Cooperative. A summary of such audit reports shall be available for inspection by the member-customers at the following annual meeting.

Section 9 Removal of Directors and Officers. Any member-customer may bring charges against an officer or director by filing them in writing with the Secretary, together with a petition signed by ten percent (10%) of the member-customers, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the member-customers and any vacancy created by such removal may be filled by the member-customers at such meeting. The director or officer against whom such charges have been brought shall be served with a copy of the charges at least fifteen (15) days previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel, and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity.

Section 10 Indemnification. The Cooperative, through the Board of Directors, shall have the power to indemnify any officer, director, employee, and agent of the Cooperative who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding; and to purchase and maintain liability insurance on their behalf against any liability asserted against him in such capacity.

Section 11 Change in Rates. Notice shall be given to the Administrator of the Rural Utilities Service (formerly REA) of the United States of America whenever there is a change in the rates charged by the Cooperative for electric energy.

ARTICLE IV Meeting of Directors

Section 1 Regular Meetings. A regular meeting of the Board of Directors may be held without notice, other than this bylaw, immediately after, and at the same place as, the an-

nual meeting of the member-customers. A regular meeting of the Board of Directors shall be held monthly at such date, time, and place as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice, other than such resolution giving the date, time, and place thereof.

Section 2 Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, the President/CEO, or by any three (3) or more directors. The person or persons authorized to call special meetings of the Board of Directors may fix the date, time and place for holding of any special meeting of the Board of Directors called by them. The Board of Directors may participate in a special meeting of such Board by means of conference telephone or similar communications technology in which all persons participating in the meeting can hear each other, and participation in such a meeting pursuant to this Section 2 shall constitute presence in person at such meeting.

Section 3 Notice. Notice of the date, time and place, and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each director at his last know address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The five (5) day written notice requirement is not applicable in the event the directors receive notice via telephone, telefax or e-mail, prior to such special meeting in emergency situations or when time is of essence. The attendance of the director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called and convened.

Section 4 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 5 Manner of Acting. Except for provisions in Article XIII, the act of the majority of the directors present at a meeting of the directors at which a quorum is present shall be the act of the Board of Directors.

ARTICLE V Officers

Section 1 Number. The officers of the Cooperative shall be Chairman, Vice Chairman, Secretary and Treasurer. The offices of Secretary and Treasurer may be held by the same person.

Section 2 Election and Term of Office. The officers shall be elected, by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the member-customers. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the member-customers, or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these bylaws with respect to the removal of officers.

Section 3 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the Cooperative will be served thereby.

Section 4 Vacancies. Except as otherwise provided in these bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5 Chairman. The Chairman:

- a. Shall be the principal executive officer of the Cooperative, and shall preside at all meetings of the member-customers and of the Board of Directors;
- b. Shall have signature affixed with that of the Secretary on 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 shall 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 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 7 Secretary. The Secretary shall:

- a. Supervise the keeping of the minutes;
- b. See that all notices are duly given in accordance with these bylaws or as required by law;
- c. Be responsible for the safekeeping 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;
- d. Keep a register of the post office address of each member-customer, which shall be furnished to the Secretary by such member-customers;
- e. Have his signature affixed with that of the Chairman on 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 member-customers is kept;
- g. Keep on file at all times a complete copy of the bylaws of the Cooperative, containing all amendments thereto, which copy shall always be open to the inspection of any member-customer, and upon specific request of a member-customer to forward copy of the bylaws and amendments thereto at the ex-

pense of the Cooperative; 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 8 Treasurer. The Treasurer shall:

- a. Be responsible for all funds and securities of the Cooperative;
- b. Be responsible for issuance of receipts for monies due and payable to the Cooperative from any source whatsoever, and the deposit of such monies in the name of the Cooperative in such bank or banks 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 9 Delegation of Secretary-Treasurer's Responsibilities. Notwithstanding the duties, responsibilities, and authorities of the Secretary-Treasurer hereinbefore provided in Sections 7 and 8, 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 such officer's duties to one or more agents, other officers or employees of the Cooperative who are not directors.

Section 10 President and Chief Executive Officer. The Board of Directors may appoint a president and chief executive officer who may be, but shall not be required to be, a member-customer of the Cooperative. The President and Chief Executive Officer shall:

- a. manage the day to day operations and activities of the Cooperative;
- b. subject to such corporate policies as are established by the Board of Directors from time to time, have the power to enter into and execute contracts on behalf of the Cooperative and to sign certificates, contracts, or other instruments on behalf of the Cooperative; and
- c. have such other duties and powers as may be prescribed by the Board of Directors from time to time.

Section 11 Bonds of Officers. The Board of Directors shall require the treasurer of the Cooperative or any other officer 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 premiums for such bonds shall be paid from the funds of the Cooperative.

Section 12 Compensation. The powers, duties, and compensation of any officers, agents, and employees shall be fixed by the Board of Directors.

Section 13 Reports. The officers of the Cooperative shall submit, at each annual meeting of the member-customers, reports covering the business of the Cooperative for the previous year, showing the condition of the Cooperative at the close of such year.

ARTICLE VI
Contracts, Checks, and Deposits

Section 1 Contracts. Except as otherwise provided in these bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument, in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2 Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer, officers, agent, or agents of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3 Deposits. All funds of the Cooperative shall be deposited, from time to time, to the credit of the Cooperative in such financial institutions as the Board of Directors may select, provided that reserve funds may be invested in such securities as the Board of Directors may designate.

ARTICLE VII
Membership Certificates

Section 1 Certificates 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 articles of incorporation of the Cooperative or these bylaws. Such certificate shall have signature affixed of the Chairman and the Secretary of the Cooperative.

Section 2 Issue of Membership Certificate. No membership certificates shall be issued for less than the membership fee fixed by the Board of Directors in accordance with these bylaws.

ARTICLE VIII
Revenues and Receipts

Section 1 Subject to the provisions of any mortgage or deed of trust given or assumed by the Cooperative, the Board of Directors shall, after the expiration of each fiscal year, apply the revenues and receipts for such fiscal year:

- a. First -- to the payment of all obligations and expenses, including maintenance and operating expenses, of the Cooperative, properly chargeable against its revenues and receipts for such fiscal year and to the establishment of a reserve for the payment of interest on the principal of all outstanding notes, bonds, or other evidences of indebtedness issued, or the payment of which shall have been assumed by the Cooperative, in an amount which shall not be less than an amount equal to the total of the interest and principal payments required to be made during the next following calendar year with respect to such notes, bonds, or other evidences of indebtedness; and
- b. Second -- to the establishment and maintenance of a general reserve fund for working capital to provide, among other things, for insurance, taxes, maintenance, improvements, new construction, depreciation, and contingencies in an amount which the Board of Directors shall deem reasonable; and

- c. Third -- to provide for the payment of an annual subscription to the monthly news publication of \$3.50 per year by each member-customer from the amount accruing to him.
- d. Such application shall be made after the expiration of the fiscal year, and all revenues and receipts paid in by the member-customers for the furnishing of electric service for each fiscal year not needed for the First, Second, and Third purposes mentioned above shall be credited to the member-customers on a pro rata basis according to the amount of business done with each during the period. By so doing, the Cooperative shall be operated on a cooperative not-for-profit basis for the mutual benefit of its member-customers.

Section 2 In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all member-customers will through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a not-for-profit basis, the Cooperative is obligated to account on a patronage basis, to all of its member-customers 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 member-customers as capital. The Cooperative is obligated to pay, by credits to a capital account, for each member-customer 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 member-customer is clearly reflected and credited in an appropriate record to the capital account of each member-customer, and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each member-customer of the amount of capital so credited to his account provided, that individual notices of such amounts furnished by each member-customer shall not be required if the Cooperative notifies all member-customers of the aggregate amount of such excess and provides a clear explanation of how each member-customer 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 member-customer shall have the same status as though they had been paid to the member-customer in cash, in pursuance of a legal obligation to do so, and the member-customer had then furnished the Cooperative corresponding amounts for capital.

Section 3 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 member-customers.

Notwithstanding the above, the Board of Directors, at its discretion, may allocate capital credits for an individual, member-customer, or class of member-customers based upon rates and cost of service for that member-customer or class.

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 member-customers' accounts may be retired in full or in part. After January 1, 1976, and thereafter, the Board of Directors shall determine the method, basis, priority, and the order or retirement, if any, for all amounts furnished as capital. Provided further, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion of capital credits which corresponds to capital credited to the account of the Cooperative by G & T Systems and other Federated organizations such as CFC, state-wide marketing groups, and similar organizations. Such rules shall (a) establish a method for determining

such portion of capital credited to each member-customer for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portion of capital credited to the Cooperative's member-customers, (c) provide for appropriate notifications to member-customers with respect to such portion of capital credited to their accounts, and (d) preclude a general retirement of such portion of capital credited to member-customers for any fiscal year prior to the general retirement of other capital credited to member-customers for the same year or of any capital credited to member-customers for any prior fiscal year.

Section 4 Capital, credited to the account of each member-customer, shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor, and only to successors in interest or successors in occupancy in all or a part of such member-customer's premises served by the Cooperative, unless the Board of Directors, acting under policies of general application, shall determine otherwise. In any fiscal year in which the margins to be allocated, a negative margin is incurred by the Cooperative, such "loss" will be carried forward and applied against margins accrued in the next fiscal year or years, prior to allocation of positive margins for such years.

Section 5 Notwithstanding any other provision of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member-customer who is a natural person, if the legal representatives of his estate request in writing, that the capital credited to any such member-customer 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-customer immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and legal representatives of such member-customer's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Section 6 When capital credited to a member-customer's account is retired by action of the Board of Directors as authorized in Article VIII, Section 3, and the payment of the retired capital cannot be accomplished because the member-customer cannot be found, and the check is returned by the Postal Department or not presented for payment, the same shall be disposed of as follows:

- a. Placed in a "Deferred Credits" account and paid to the original payee or his estate, if claimed by the person entitled thereto, less expenses incurred by the Cooperative to maintain records relating to such accounts.
- b. The Board of Directors is vested with wide discretion in the administration of this Section.
- c. Tender of capital refunds shall be presumed to be accomplished when a check of the Cooperative is properly mailed to the member-customer at his last address shown on the books of the Cooperative.

Section 7 The member-customers 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 member-customer, and both the Cooperative and the member-customers are bound with such contract, as fully as though each member-customer had individually signed a separate instrument containing such terms and provisions.

ARTICLE IX
Waiver of Notice

Any member-customer or director may waive, in writing, any notice of meetings required to be given by these bylaws. In case of a joint membership, a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint member-customers. The attendance of a member-customer at any meeting shall constitute a waiver of notice of such meeting by such member-customer, except in case a member-customer shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

ARTICLE X
Disposition and Pledging of Property

The Cooperative may not sell, mortgage, lease, or otherwise dispose of or encumber any of its property other than;

- a. The Cooperative's Board of Directors, without requirement of the member-customers' 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 which in any one year will not exceed in value ten percent (10%) of the value of all property of the Cooperative 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.
- b. A sale, lease, exchange, or other disposition of all or substantially all the property and assets of the Cooperative, with or without the good will of the Cooperative, in all cases other than those dealt with in Georgia Code Section 46-3-400 may be made upon such terms and conditions and for such consideration, which may consist in whole or in part of money or property, either real or personal, including, but not limited to, bonds or other securities of other electric membership corporations or of foreign electric cooperatives, or shares, bonds, or other securities of any other corporations, either domestic or foreign, as shall be authorized in the following manner:
 - (1) The Board of Directors shall adopt a resolution recommending such sale, lease, exchange, or other disposition, specifying to the extent that the Board sees fit any or all of the terms and conditions thereof and the consideration to be received by the Cooperative therefor and directing the submission thereof to a vote at a meeting of member-customers, which may be either an annual or a special meeting. 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. If the Board of Directors, after receiving such appraisals (and other terms and conditions which are recommended, if any), then determines 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 Board has tentatively

decided to recommend and a copy of the reports of the three (3) appraisers. Such electric membership corporations shall be given not less than thirty (30) 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.

- (2) Written notice shall be given to each member-customer not less than 30 days before such meeting, in the manner provided in Georgia Code Section 46-3-263 for giving of notice of meetings of member-customers, and, regardless of whether the meeting is an annual or a special meeting, shall state that the purpose or one of the purposes is to consider the proposed sale, lease, exchange, or other disposition and shall fairly summarize the material features of the proposed transaction. Such written notice shall also be mailed, on the earliest date such notice is given to any member-customer of the Cooperative. Notice that the sale, lease, exchange, or other disposition is proposed and of the date, time, and place of the proposed meeting of member-customers for the purpose of voting on such disposition shall be delivered not less than 30 days nor more than 90 days before such meeting to the publisher of each newspaper which is the official organ of each county in which the electric membership corporation provides service or to the publisher of one or more newspapers of general circulation published within each such county whose most recently published annual statement of ownership and circulation reflects a minimum of 60 percent paid circulation, together with a check, draft, or money order in the amount of the required charge for payment of the cost of publishing such notice and a request that such notice be published one time as soon as practicable but, in any event, within ten days after receipt of the notice by the newspaper. Such notice shall be published by each newspaper within ten days of its receipt of the notice; but failure of any newspaper to comply with such publication requirement shall not affect the validity of the meeting of member-customers at which the disposition is approved and shall not affect the validity of the disposition.
- (3) At such meetings, the member-customers may authorize such sale, lease, exchange, or other disposition and may approve or fix, or may authorize the Board of Directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the electric membership corporation therefor. Such authorization shall require the affirmative vote of a majority of the member-customers of the Cooperative.
- (4) After such authorization by a vote of the member-customers, the Board of Directors may nevertheless in its discretion abandon such sale, lease, exchange, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by the member-customers.

ARTICLE XI

Fiscal Year

The fiscal year of the Cooperative shall begin on the first day of January of each year and end on the thirty-first day of December the same year.

ARTICLE XII Membership in Other Organizations

The Board of Directors may formally vote on the Cooperative becoming a member of another organization. This would be done with an affirmative vote of the majority of the Board of Directors, at a meeting called as provided in the bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business. The Board of Directors may also, at their discretion, grant a general authorization for the Cooperative to join various organizations for the purpose of acquiring, developing, or promoting the best interest of the Cooperative, providing that such authorization is consistent with any related codes, laws, or other legal considerations.

ARTICLE XIII Amendments

These bylaws may be altered, amended, or repealed by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors, at any regular or special meeting, providing the Board of Directors sign a waiver of notice. However, except as provided in Article III, Section 3, the Board of Directors shall not have the power to alter, amend, or repeal the bylaws or adopt new bylaws directly relating to the election of the Board of Directors. The Board of Directors shall also maintain a policy establishing a process for the consideration of bylaw amendments proposed by members.

REVISIONS:

DECEMBER, 1964 -- ARTICLE VIII
APRIL, 1971 -- ARTICLE X
JUNE, 1971 -- ARTICLE II
JANUARY, 1975 -- ARTICLES I, II, III, V, VI, VII, VIII, IX, X
DECEMBER, 1975 -- ARTICLE VIII
SEPTEMBER, 1977 -- ARTICLE X
JUNE, 1982 -- ARTICLES I, II, III, VII, VIII, XIII
SEPTEMBER, 1982 -- ARTICLES I, II, III, VII, VIII, XIII
JULY, 1983 -- ARTICLE VIII
FEBRUARY, 1986 -- ARTICLE VIII
FEBRUARY, 1988 -- ARTICLES IV, V, VII
AUGUST, 1988 -- ARTICLES I, II, IV, V, VI, VII, VIII, X, XII
NOVEMBER, 1988 -- ARTICLE VIII
JANUARY, 1991 -- ARTICLES II, III, XIII
MARCH, 1991 -- ALL REFERENCES TO "CONSUMER" CHANGED TO "MEMBER-CUSTOMER."
MARCH, 1994 -- ARTICLE I, SEC. 2
SEPT, 1996 -- ARTICLE I, SEC. 1; ARTICLE II, SEC. 6 (PROXY VOTING) ELIMINATED; ARTICLE II, SEC. 7, NEW SECTION ADDED ON CREDENTIALS AND ELECTION COMMITTEE; ARTICLE III, SEC. 2 & 3.
NOVEMBER, 1996 -- REA CHANGED TO RUS, ARTICLE I, SEC. 7(B); ARTICLE II, SEC. 1 & 5; ARTICLE III, SEC. 3, 7, 10; ARTICLE IV, SEC. 5; ARTICLE VII, SEC. 3 (ELIMINATED); ARTICLE VIII, SEC. 1(D), SEC. 2.
MAY, 2002 -- ARTICLE IV, SEC. 2 & 3
JUNE, 2003 -- ARTICLE II, SEC. 3
SEPTEMBER, 2006 -- ARTICLE III, SEC. 3; ARTICLE XIII
MARCH, 2007—ARTICLE III, SEC. 2.
SEPTEMBER, 2015 --ARTICLE II, SECTION 1,3,4,5, ADDED NEW SECTION ON MANNER OF VOTING AND EARLY VOTING PERIOD, CHANGE IN 7; ARTICLE III SECTION 4
DECEMBER 2015 -- ARTICLE XIII
DECEMBER 2019 -- ADDITION OF ARTICLE II, SECTION 7G; ADDITION TO ARTICLE III, SECTION 2.