

BYLAWS

HART ELECTRIC MEMBERSHIP
CORPORATION

Approved By Members

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Amended

June 15, 2017

BYLAWS FOR HART ELECTRIC MEMBERSHIP CORPORATION

ARTICLE I

MEMBERSHIP

SECTION 1.01. Eligibility. Any natural person, firm, association, corporation, business or other trust, partnership, Federal agency, state or political subdivision thereof, or any body politic (each hereinafter referred to as "person," "applicant," "him" or "his") shall be eligible to become a member of, and at one or more premises owned or directly occupied or used by him, to receive electric service from Hart Electric Membership Corporation (hereinafter called the "Cooperative"). No person shall hold more than one membership in the Cooperative, and no membership shall be transferable, except as set forth below.

SECTION 1.02. Application for Membership; Renewal of Prior Application. An Application for Membership: wherein the applicant shall agree to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the other provisions of the Cooperative's Articles of Incorporation and Bylaws, and all rules, regulations, rate classifications and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement being hereinafter called the "membership obligations") shall be made in writing on such form as is provided therefore by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefore by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03 (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), which fee (and such service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, if any) shall be refunded in the event the application is denied. Any former member of the Cooperative may, by the act of re-applying on such form as is then used by the Cooperative, and paying a new membership fee and any outstanding account plus accrued interest thereon at the Georgia legal rate on judgments in effect when such account first became overdue, compounded annually (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), reactivate his or her membership.

SECTION 1.03. Membership Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction. The membership fee shall be as fixed from time to time by the Board of Directors. The membership fee (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative (together with a service security deposit, a facilities extension deposit or a contribution in aid of construction, or any combination thereof, if required by the Cooperative), shall be paid by the member for each additional service connection requested by him.

SECTION 1.04. Joint Membership. A husband and wife, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a member, may automatically convert such membership into a joint membership by jointly executing a membership application. The words "member," "applicant," "person," "his" and "him," as used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text: and all provisions relating to the rights, powers, terms, conditions, 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 either or both shall constitute the presence of one member and a joint waiver of notice of the meeting;
- (b) the vote of either or both shall constitute, respectively, one joint vote;
- (c) notice to, or waiver of notice signed by either or both shall constitute, respectively, suspension or termination of the joint membership; and
- (d) each, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefore.

SECTION 1.05. Acceptance into Membership. Upon complying with the requirements set forth in Sections 1.01, 1.02, and 1.03, any applicant shall automatically become a member on the date of his connection for electric service, UNLESS the Board of Directors shall determine 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 1.06. Purchase of Electric Power and Energy; Power Production by Member; Application at Payments to All Accounts. The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Cooperative may in writing waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment for service to him by the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

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

SECTION 1.08. Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties. Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the National Electric Code, any applicable state code or local government ordinances, and of the Cooperative. If the foregoing specifications are variant, the more exacting standards shall prevail. Each member shall be responsible for -- and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of -- such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees,

agents and independent contractors to have access thereto 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 at all reasonable times. In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on the premises.

ARTICLE II

MEMBERSHIP SUSPENSION AND TERMINATION

SECTION 2.01. Suspension; Reinstatement. 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 noncompliance with his membership obligations, a person's membership shall automatically be suspended; and he shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of the members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other noncompliance with his membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at meetings of its members.

SECTION 2.02. Termination by Expulsion; Renewed Membership. Upon failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, he may, without further notice, but only after due hearing if such is requested by him in writing, be expelled by resolution of the Board of Directors at any subsequently held regular or special meeting of the Board. After any finally effective expulsion of a member, he may not again become a member except upon new application therefore as provided in Sections 1.02 and 1.05. The Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

SECTION 2.03. Termination by Withdrawal or Resignation. A member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with the approval of the Board of Directors, resigning his membership in favor of a new applicant who also shall) own, lease as Lessor or Lessee, or directly occupy or use all premises being furnished electric service pursuant to his membership, or (b) except when the Board of Directors specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

SECTION 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners. Except as provided in Section 2.06, the death of a natural person member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners 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, that 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 person's membership, he or his estate, as the case may be, shall be entitled to refund of his membership fee (and to his service security deposit, if any, theretofore paid the Cooperative), less any amounts due the Cooperative, together with interest and costs of collection; but neither he nor his estate, as the case may be, shall be released from any debts or other obligation 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, Legal Separation or Divorce upon a Joint Membership. Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the estate of the deceased spouse shall not be released from any debts due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the other spouse shall not be released from any debts due the Cooperative.

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

ARTICLE III

MEETINGS OF MEMBERS

SECTION 3.01. Annual Meeting. For the purposes of electing directors, hearing and passing upon 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 at such time and at such place in one of the counties in Georgia within which the Cooperative serves, and beginning at such hour, as the Board of Directors shall from year to year fix, 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, the President, by any three directors, or by petition signed by not less than 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 shall be held in such place in one of the counties in Georgia which the Cooperative serves, on such date not less than ten (10) nor more than ninety (90) days after the call for such meeting is made, or a petition therefore is filed, and beginning at such hour as shall be designated by him or 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 provided in Sections 46-3-382, 46-3-401 and 46-3-420, O.C.G.A., be delivered to each member not less than five (5) days nor more than ninety (90) days prior to the date of the meeting, by any reasonable means, by or at the direction of the President, the Secretary, (or, in the case of a special meeting, at the direction of him or 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 and/or its monthly insert, if any, in "Rural Georgia," or member service billings. No proposal to amend the Cooperative's charter, or to dissolve the Cooperative, or to consolidate or merge the Cooperative with another corporation, or any mailer the carrying of which, as provided by law or these bylaws, requires the affirmative votes of at least a clear majority of all the Cooperative's then 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. As long as the total number of members does not exceed one thousand (1,000), at least ten per cent (10%) of the total number present in person shall constitute a quorum for the transaction of business at all meetings of the members. In case the

total number of members shall exceed one thousand (1,000), then at least one hundred fifty (150) of the members present in person shall constitute a quorum for the trans-action of business at all meetings of the members. 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. 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 at any meeting of the members. At all meetings of the members, 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.

The Board shall cause to be printed and mailed to all members, not less than fourteen (14) days prior to the meeting at which such ballots are to be cast, return-mail written ballots for election of directors and/or for voting on any other matter if return-mail written balloting thereon has been authorized by the Board. Instructions as to how the ballot(s) may be voted shall be printed thereon, and an explanation as to how the ballot may be returned shall be enclosed therewith. The ballot shall be so made up as to be candidate and/or issue-neutral, with two or more contesting candidates' names being printed thereon in alphabetical order according their last name, although incumbent directors may be identified as such. The ballots shall be delivered to the Cooperative by or before the end of business on the second business day prior to the date of the meeting, and the explanation enclosed therewith shall so state.

The Credentials and Elections Committee shall count and retain all such ballots, and shall not reveal the results thereof to anyone until the member meeting.

SECTION 3.06. Credentials and Election Committee. The Board of Directors shall, at least ten (10) days before any meeting of the members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of members not less than five (5) nor more than nine (9) 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 thereof. 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. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the registration of members in person, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, 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 and the regularity of the nomination and election of directors), and to pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, after notice from its chairman. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. 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, 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. Any Committee member related within the third degree by affinity or consanguinity computed according to the civil law to any candidate for director shall refrain from participating in any deliberation or vote of the Committee concerning such candidate.

SECTION 3.07. 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:

- (1) Report on the number of members present in person in order to determine the existence of a quorum;
- (2) 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;
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
- (4) Presentation and consideration of reports of officers, directors and committees;
- (5) Report of Credentials and Election Committee on election of directors;
- (6) Unfinished business;
- (7) New business; and
- (8) 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 in advance of any other item of business: PROVIDED, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

ARTICLE IV

DIRECTORS

SECTION 4.01. Number and General Powers. The business and affairs of the Cooperative shall be managed by a Board of not less than seven (7) or more than 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 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. No person shall be eligible to become a director of the Cooperative who is a close relative of an incumbent director or of an employee of the Cooperative, or has not been a member in good standing of the Cooperative and receiving service therefrom at his primary residential abode for a period of at least two years. No person shall be eligible to become or remain a director of, or to hold any other position of trust in the Cooperative who is in any way employed by or financially interested in a competing enterprise, or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to, among others, the members of the Cooperative, or who holds full-time public elected office for compensation. Notwithstanding any of the foregoing provisions of this Section treating close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if he becomes a close relative of another incumbent director or of a Cooperative employee because of a marriage to which he was not a party or if the employee was employed by the Cooperative prior to the date of the Director's initial election. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Credentials and Election Committee, or the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.

SECTION 4.03. Election. Subject to the provisions of Section 3.05, at each annual meeting of the members, directors shall be elected by secret written ballot by the members: PROVIDED, that when the number of nominees does not exceed the number of directors to be elected from a particular Directorate District, secret written balloting may be dispensed with in respect to that particular election and voting may be conducted in any other proper manner. Directors shall be elected by a plurality of the votes cast unless the members in advance of any balloting resolve that a majority of the votes cast shall be required to elect, and this Bylaw provision shall be drawn to the attention of the members and explained to them prior to any balloting. Drawing by lot shall resolve, where necessary, any tie votes.

SECTION 4.04. Tenure. Directors shall be so nominated and elected that one director from or with respect to each of Directorate Districts Nos. One and Three shall be elected for three-year terms at an annual member meeting; one director from or with respect to each of Directorate Districts Nos. Two and Three shall be elected for three-year terms at the next succeeding annual member meeting; and one director from or with respect to each of Directorate Districts Nos. One, Two and Four shall be elected for three-year terms at the next succeeding annual member meeting, and so forth: PROVIDED, that the terms of no two directors from the same Directorate District shall coincide. 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 or the next annual meeting of the members. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over only until the next member meeting at which a quorum is present

SECTION 4.05. Directorate Districts. The territory served by the Cooperative shall be divided into four Directorate Districts. Each District shall be represented by the number of directors, and the Districts are described, as follows:

Directorate

District No.	Description	Number of Directors
One	Elbert & Madison Counties	2
Two	Hart County	2
Three	Franklin & Banks Counties	2
Four	Stephens County	1

Notwithstanding the foregoing number of Districts, District descriptions and number of District directors presently provided for in this section and in other sections of this Article IV, every year the Board of Directors, not less than ninety (90) days prior to the earliest date on which the annual member meeting may be scheduled pursuant to these Bylaws is to be held, may, but shall not be required to review the Districts and Directorships. If the Board determines that the boundaries or number of Districts should be altered or that the number of District directors should be increased or reduced, so as to correct any substantially inequitable factors regarding the residence of members, the number or the geographic location of Districts or the number of District directors, the Board shall amend these Bylaws accordingly and may, after such amendments become effective, appoint any additional directors provided for by such amendments, and may fix their respective initial terms, not to exceed three years. The Board of Directors shall cause all such amendments and the names, addresses and initial terms of any such newly appointed additional directors to be noticed in writing to the members not less than five (5) days prior to the date on which the Committee on Nominations for the next annual member meeting shall first convene.

From and after the date of notice of amendments, these Bylaws shall have been effectively amended accordingly, except that such Districts and/or the number of District directors may also be changed by amendment of these Bylaws by the members from time to time in order to establish the most equitable and geographical representation of the Board of Directors: PROVIDED, that any change so made by action of the Board shall be in full force and effect until at least the completion of the election of directors at the annual meeting of the members first held in accordance with such changes effectuated by the Board of Directors; AND PROVIDED FURTHER, that no such change, whether effectuated by the Board or by the members, shall become effective so as to compel the vacancy of any directors office prior to the time such director's term would normally expire unless such director consents thereto in writing.

SECTION 4.06. Nominations. It shall be the duty of the Board of Directors to appoint, at their regular meeting in March of each year, a Committee on Nominations, consisting of not less than 5 nor more than 11 members of the Cooperative who are not existing Cooperative employees, agents, officers, directors or known candidates for directors, who are not close relatives (as hereinafter defined) or members of the same household thereof, and who are so selected that each of the Cooperative's Directorate Districts shall have representation thereon. A list of the members named to the nominating committee shall be published in the April issue of the Cooperative newsletter if such a newsletter is being currently published, if such a newsletter is not being published, the names of the members of the committee shall be posted at the principal office of the Cooperative. The committee shall meet during the month of May to make their nominations. The Committee shall prepare and post at the principal office of the Cooperative at least thirty (30) days prior to the annual meeting a list of nominations for directors to be elected, listing separately the nominee(s) for each Directorate District from or with respect to which a director must, pursuant to this Article, be elected at the annual meeting.

Any fifty (50) or more members of the Cooperative, acting together, may make additional nominations in writing over their signatures, listing their nominee(s) in like manner, not less than thirty (30) days prior to the meeting, and the Secretary shall post such nominations at the same place where the list of nominations made by the Committee is posted. The Secretary shall be responsible for mailing with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the committee on nominations and the nominations made by petition, if said nominations by petition shall have been delivered to the Secretary prior to printing of the notice of meeting to be mailed and delivered to the members. Unless there shall be no living or qualified nominee at the time of the election, or the nominee shall have withdrawn his name, no further nominations shall be permitted from the floor at the annual meeting of members. 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 4.07. 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 from or with respect to any particular Directorate District. Ballots marked in violation of the foregoing restriction with respect to one or more Directorate Districts shall be invalid and shall not be counted with respect to such District or Districts. 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 4.08. Removal of Directors by Members. Any member may bring one or more charges for cause against any one or more directors and may request the 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 then-total members of the Cooperative, which petition calls for a member meeting the stated purpose of which shall be to hear and act on such charge(s) and, if one or more directors are recalled, to elect their successor(s) and specifies the place, time and date thereof not sooner than forty (40) days after filing of such petition or requests that the matter be acted upon at the subsequent annual member meeting if such meeting will be held not sooner than forty (40) 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), of the director(s) against whom the charge(s) have been made, of the member(s) filing the charge(s) and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than ten (10) days prior to the member meeting at which the matter will be acted upon: PROVIDED, that the notice shall set forth only

twenty (20) of the names (in alphabetical order) of the members filing the charges. Such director(s) shall be informed in writing of the charges after they have been validly filed and at least thirty (30) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must 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 any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor: PROVIDED, that 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. A newly elected director shall be from or with respect to the same Directorate District as was the director whose office he succeeds and shall serve the unexpired portion of the removed director's term.

SECTION 4.09. Vacancies. A vacancy occurring in the Board of Directors, except a vacancy occurring under Section 4.08 hereof, may be filled by the Board of Directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until a successor is elected and qualified. Such a director shall be from or with respect to the same Directorate District as was the director whose office was vacated.

SECTION 4.10. Compensation; Expenses. For their services as such, directors shall, on a per diem basis, receive such compensation, which may include insurance and retirement 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 performing 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 remaining Directors upon their resolved determination that such was an emergency measure: PROVIDED, that a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the vote of the remaining directors. The Cooperative shall indemnify directors and may purchase insurance to cover such indemnification, as provided for in Section 46-3-306, O.C.G.A.

SECTION 4.11. Policies, Rules, Regulations, Rate Schedules and Contracts. The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such policies, 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 4.12. 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 condition as of the end of such year. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 4.13. Subscription to Cooperative's Newsletter; Subscription to "Rural Georgia." 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, "Along These Lines," 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. The Board of Directors shall also be

empowered, on behalf of and for circulation to the members periodically, too Subscribe to 'Rural Georgia,' 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 4.14. **"Close Relative" Defined.** As used in these Bylaws, and in any resolution hereafter adopted by the Board, "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.

ARTICLE V

MEETINGS OF DIRECTORS

SECTION 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as may be designated by the Board. A regular meeting of the Board of Directors shall also be held monthly at such date, time and place in one of the counties in Georgia within which the Cooperative serves, as the Board shall 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, that any director absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board: AND PROVIDED FURTHER that, if a policy therefore 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 then 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 one of the counties in Georgia within which the Cooperative serves, 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 all the directors consent thereto.

SECTION 5.03. Notice of Directors Meetings. Written 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 shall require such, of any regular meeting of the Board shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary or, upon a default in this duty by the Secretary, 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, 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 attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

SECTION 5.04. Quorum. The presence in person of a majority of the directors in office shall be required for the transaction of business, and, the affirmative votes of a majority of the directors present and voting shall be required for any action to be taken: PROVIDED, that a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present; AND PROVIDED FURTHER that, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the date, time and place of such adjourned meeting.

ARTICLE VI

OFFICERS: MISCELLANEOUS

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

SECTION 6.02. **Election and Term of Office.** The four officers named in Section 6.01 shall be elected annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of directors by the members and to the removal of officers by the Board of Directors. Any other officer 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. When necessary, tie votes for any election shall be resolved first by revoting, and if still tied, by drawing of lots.

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

SECTION 6.04. **Vacancies.** The Board shall fill a vacancy in any office elected or appointed by the Board of Directors for the unexpired portion of the term.

SECTION 6.05. **President.** The President:

(a) shall be the principal executive 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) may sign, with the Secretary 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) may, in general, perform all duties incident to the office of President 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 Vice President shall perform the duties of the President, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.07. **Secretary.** The Secretary shall:

(a) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;

- (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 thereof, 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) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected in accordance with the provisions of these Bylaws; and
- (c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.09. Delegation of Secretary's and Treasurer's Responsibilities. Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer herein provided in Sections 6.07 and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such 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 shall 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, agent or employee who is also a director or close relative of a director shall be determined as provided in Section 4.10 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefore approved by the Board of Directors. The Cooperative shall indemnify directors, officers, including the General Manager (and/or if so titled, the Executive Vice President) employees and agents and may purchase insurance to cover such indemnification as provided in Section 46-3-306. O.C.G.A.

SECTION 6.13. Reports. The officers of the Cooperative may submit at each annual meeting of the members' reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII
FINANCIAL TRANSACTIONS

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 of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

ARTICLE VIII
MEMBERSHIP CERTIFICATES

SECTION 8.01. **Certificate of Membership.** Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the President and by the Secretary, and the seal shall be affixed thereto: PROVIDED, that the seal and the signatures of the President and the Secretary may be imprinted thereon by facsimile.

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

SECTION 8.03. **Lost Certificate.** In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE IX

NON-PROFIT OPERATION

SECTION 9.01. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 9.02. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative, is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account: PROVIDED, that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members: PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period insofar as is practicable, as determined by the Board of Directors, before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired: PROVIDED, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion (power supply or other service or supply portion) of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the Cooperative's patrons. (c) provide for appropriate notifications to patrons with respect to such

portions of capital credited to their accounts and (d) preclude a general retirement of such portions of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons from any prior fiscal year.

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

Notwithstanding any other provisions of these Bylaws, the Board of Directors shall, at its discretion, have the power at any time upon the death of any patron, who was a natural person, (or, if as so provided for in the preceding paragraph, upon the death of an assignee of the capital credits of a patron, which assignee was a natural person), if the legal representatives of his estate shall request in writing that the capital so credited or assigned, as the case may be, be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, shall determine: PROVIDED, however, that the financial condition of the Cooperative will not be impaired thereby.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the Georgia legal rate on open accounts, compounded annually, plus all costs of collection.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's offices.

SECTION 9.03. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time and in such order of priority as the Board of Directors shall determine.

ARTICLE X

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 XI

DISPOSITION AND PLEDGING OF PROPERTY;

DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

SECTION 11.01. 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 Section 46-3-400(a) and (b), O.C.G.A.

(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 Section 46-3-401, O.C.G.A. and Section 11.02 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 other disposition:

(1) Before the Board of Directors may submit to the members any proposal for such a transaction, it shall first cause three (3) independent, nonaffiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a transaction and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Superior Court Judge for the Northern Judicial Circuit in Georgia. If such judge refuses to make such designations, they shall be made by the Board of Directors.

(2) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric membership corporation corporately sited and operating in Georgia (which has not made the proposal for such transaction) 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 be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of the three (3) appraisers. Such electric membership corporations shall be given not less than thirty (30) days during which to submit competing or alternate proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

(3) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall adopt a resolution recommending the sale and directing the submission of the proposal to a vote of the members at a duly held member meeting, and shall so notify the members not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual member meeting, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not less nor more than ninety (90) days after the giving of notice thereof to the members: PROVIDED, that consideration and action by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is held not less nor more than ninety (90) days after the giving of notice of such meeting.

(4) Any one hundred (100) or more members, by so petitioning the Board not less than thirty (30) days before the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all other members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

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 if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric membership corporation.

SECTION 11.02. 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 and not inconsistently with the provisions of the third paragraph of Section 9.02 of these Bylaws, be distributed without priority among all persons who are or who have been members of the Cooperative for any period during its existence, on the basis that their respective patronage during such periods bears to the total receipts of the Cooperative since its inception: PROVIDED, HOWEVER, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE XII

FISCAL YEAR

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

ARTICLE XIII

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 by the Cooperative's Articles of Incorporation or Bylaws. This Article shall be subordinate to any other provision of these By-laws pertaining to the votes required for action by members, directors, or committees.

ARTICLE XIV

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 XV

AMENDMENTS

SECTION 15.01. Power to Amend. Subject to the provisions of Section 46-3-325, O.C.G.A., 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 15.02. Procedure for Amending. A bylaw may be changed only if (1) a copy or an accurate summary or explanation of the proposed change is contained in or with the notice of the meeting at which it is to be acted upon; and (2) if to be acted upon by the members, it is sponsored by the Board of Directors or at least 100 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 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 one hundred (100) 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 cause any proposed bylaw change to be noticed or acted upon, or 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 be amended from the floor of the member or Board meeting at which it is being considered if the amendment is germane thereto.

STATEMENT OF NONDISCRIMINATION

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- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: program.intake@usda.gov.

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