

BYLAWS OF SOUTHERN RIVERS ENERGY

INTRODUCTION

This introduction is part of the Bylaws of Southern Rivers Energy (the "Cooperative"). In a cooperative, bylaws set forth rules of governance of the cooperative and describe certain rights and obligations between the cooperative and its members. Bylaws constitute a contract between the member and the cooperative.

Throughout these Bylaws, certain words and phrases are used to indicate "defined terms." A defined term is either set forth in Article XII at the end of these Bylaws (the "Definitions Article") or, if included within the text, capitalized and enclosed within parentheses and quotation marks following the defined term's definition when first used. The location at which a definition in this form is used is also provided in the Definitions Article. The defined terms are capitalized when otherwise used in these Bylaws.

ARTICLE I – MEMBERS

SECTION 1.01. Eligibility for Membership. Any individual or entity ("Person") with the capacity to enter a legally binding contract with the Cooperative for generation, transmission, distribution, sale, supply or provision of electric power or energy ("Electric Service") or any other goods or services reasonably related to the provision of Electric Service is eligible to become a Member of the Cooperative.

An Entity includes, but is not limited to, corporations of all types and locations, legally recognizable profit and non-profit unincorporated associations, business trusts, estates, partnerships, limited liability companies, limited liability partnerships, general and limited partnerships, the United States of America, foreign governments, the State of Georgia or any agencies or divisions thereof (collectively, "Entity").

SECTION 1.02. Membership Procedures and Requirements. Unless these Bylaws provide otherwise, or the Board waives same, any eligible Person seeking to become a Member ("Applicant"), or who wishes to remain a Member, must, within a reasonable time of initially using or requesting to use the Cooperative's Electric Service, complete the procedures and comply with the requirements stated in this Bylaw, Section 1.02, to the Cooperative's reasonable satisfaction ("Membership Procedures and Requirements").

- (a) Each Applicant or Member must complete and sign a written membership application in form and substance described by the Cooperative from time to time. Such membership

application shall include, without limitation, the Member's agreement to:

- (1) comply with and be bound by the Cooperative's Articles of Incorporation, Bylaws, rates, tariffs, Service Rules and Regulations and membership application and any other reasonable rules and regulations from time to time adopted or amended by the Cooperative, as well as any supplemental or separate contract between the Applicant and the Cooperative (the "Membership Documents"); and
 - (2) take Electric Service from the Cooperative and pay for same based on such rates and terms as the Cooperative may from time to time prescribe.
- (b) Each Applicant or Member must:
- (1) pay or make satisfactory arrangement for the payment of any past-due indebtedness owed by the Person to the Cooperative, together with interest as may be due under the Membership Documents;
 - (2) pay or make satisfactory arrangement for the payment of such security deposit, membership fee, contribution-in-aid-of-construction, service connection deposit or any combination of same and such other fees or charges as may be required pursuant to the Membership Documents in effect at the time application is made; and
 - (3) satisfy all other reasonable conditions and requirements established for membership from time to time by the Board of Directors.

SECTION 1.03 Exceptions to Membership Procedures and Requirements. Notwithstanding the foregoing, an eligible Person is automatically a Member of the Cooperative and consents to being a Member upon:

- (a) initially using or requesting to use Electric Service provided by the Cooperative;

- (b) receiving written notice from the Cooperative that Electric Service has been or is to be provided by the Cooperative, which notice includes a copy of the Cooperative's Bylaws and Service Rules and Regulations, and further states, in substance:
 - (1) that the Person is automatically a Member and is deemed to consent to being a Member and bound by the Cooperative's enclosed bylaws and Service Rules and Regulations as they may be hereafter adopted or amended, upon initially using or requesting to use Electric Service provided by the Cooperative; and
 - (2) that unless the Person notifies the Cooperative in writing within ten (10) days of the Cooperative providing such notice that such Person does not consent to being a Member.

SECTION 1.04. Joint Membership. A legally married husband and wife may apply for a Joint Membership or may convert an existing membership held by either to a Joint Membership, and subject to their compliance with the Membership Procedures and Requirements set forth in Section 1.02 of this Article, may be accepted for membership ("Joint Membership").

The term "Member" as used in these Bylaws shall be deemed to include a legally married 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. Without limiting the generality of the foregoing, the following principles shall apply in respect to joint Members:

- (a) Notice to either shall constitute notice to both.
- (b) The presence at a meeting of either or both shall be regarded as the presence of one (1) Member and shall constitute a joint waiver of notice of the meeting.
- (c) A waiver of notice signed by either or both shall constitute a joint waiver.
- (d) The vote of either separately or both jointly shall constitute one (1) joint vote. Should joint Members disagree as to how a vote should be cast, each joint Member shall be entitled to cast a one-half (1/2) vote.

- (e) A consent signed by either or both shall constitute a consent for both.
- (f) Suspension, expulsion or withdrawal of either shall terminate the joint membership and suspension shall suspend the Joint Membership.
- (g) Either, but not both concurrently, may be a candidate for, elected or appointed as a member of the Board of Directors, PROVIDED that both meet the qualifications of the office.
- (h) Upon the death of either joint Member, membership shall be held solely by the spouse; however, the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 1.05. Obligations of Members and Applicants for Membership. In consideration of the Cooperative providing Electric Service, each Member shall comply with any reasonable requirement of the Cooperative which enhances the Cooperative's ability to provide safe and reliable Electric Service to the Member and other Members and to reduce the cost of same. Without limitation, each Member shall:

- (a) purchase from the Cooperative, as soon as Electric Service shall be available, all central station electric energy, capacity and electric distribution service purchased for use on or to serve the premises to which Electric Service is provided by the Cooperative at the request of the Member or the Member's agent, unless temporarily prevented from doing so by causes reasonably beyond the control of the Applicant or Member, and pay therefore, including any monthly amount that may be charged without regard to the amount of electric energy and power actually used under terms and at rates provided in the Membership Documents;
- (b) comply with and be bound by the Membership Documents and any other reasonable rules and regulations from time to time adopted by the Board of Directors;
- (c) upon request by the Cooperative, execute and deliver to the Cooperative grants of easement or rights-of-way over, on and under lands owned by the Member in accordance with such reasonable terms and

conditions as the Cooperative may require for the construction, operation, maintenance or relocation of the Cooperative's facilities, lines and equipment;

- (d) pay all sums due the Cooperative under the Membership Documents. (When the Member has more than one service connection from the Cooperative, or other indebtedness owed to the Cooperative, any payment by or on behalf of a Member to the Cooperative shall be deemed to be allocated and credited on a pro rata basis to the Member's outstanding accounts for all such service connections or indebtedness, notwithstanding that the Cooperative's actual accounting procedures do not reflect such proration.);
- (e) have control and total responsibility for all electric wiring, apparatus, equipment and facilities beyond the point where the Cooperative's service wires attach to the Member's service entrance or, if no service entrance exists, the Member's wiring. In this connection, the Member shall be responsible for and shall indemnify the Cooperative, its employees, agents and contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of the Member's premises, wiring, apparatus, equipment and facilities receiving or utilizing electric energy;
- (f) make available to the Cooperative a suitable site, as determined by the Cooperative, to place the Cooperative's physical facilities for the furnishing and metering of Electric Service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto at all reasonable times safely and without interference from hostile dogs or any other hostile source, for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities; and
- (g) Be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall prevent others from so doing. In the event such facilities are interfered with, impaired in their operation or damaged by the Member, or by any other

Person, the Member shall indemnify the Cooperative and its employees, agents and contractors against death, injury, loss or damage resulting therefrom, including but not limited to, the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment.

SECTION 1.06. Suspension of Membership and Reinstatement of Membership. Upon the failure of a Member to pay for Electric Service within the time required, or upon the Member's failure to comply with the Member's obligations set forth in the Membership Documents, which failure results in the Cooperative's termination of Electric Service to the Member's premises, the membership rights of the Member shall be suspended for a period of sixty (60) days from the date that the Electric Service was terminated. If the Member, within the sixty (60) day period, shall pay all sums required by the Cooperative's Membership Documents and shall satisfactorily rectify any other non-compliance with the Membership Documents, and the Cooperative reinstates Electric Service to the premises of the Member, the membership rights shall be automatically reinstated.

Other than the right to receive retired and refunded Capital Credits, and other than rights upon the Cooperative's dissolution, a suspended Member forfeits and relinquishes all rights provided in the Membership Documents. In particular, a suspended Member forfeits and relinquishes any voting rights provided by law, the Articles of Incorporation or these Bylaws. A suspended Member, however, remains subject to all obligations imposed by the Membership Documents.

SECTION 1.07. Withdrawal. Any Member may withdraw from membership upon payment in full of all debts, liabilities and obligations of the Member to the Cooperative and in compliance with such other terms and conditions as the Board of Directors may prescribe.

SECTION 1.08. Termination of Membership. A Member will be deemed to have withdrawn and terminated his membership in the Cooperative upon the Board of Directors adopting a resolution terminating the membership following the occurrence of any one of the following:

- (a) A voluntary withdrawal from membership by a Member as provided in Section 1.07 of this article.
- (b) The death or cessation of existence of Member.
- (c) A Member who shall fail to reinstate a membership suspended in accordance with Section 1.06 of this Article.

- (d) A Member who, for a period of sixty (60) days after electric service is available to the Member, has failed to purchase electric service from the Cooperative.
- (e) Ceasing to purchase electric energy from the Cooperative.

Upon the termination of a Person's membership for any reason, the Board of Directors, as soon as practicable after such termination is made known to it, shall, by appropriate resolution, formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing Electric Service to such Person.

SECTION 1.09. Expulsion. A Member may be expelled from membership pursuant to such reasonable terms and conditions as may from time to time be adopted by the Board of Directors.

SECTION 1.10. Effect of Withdrawal, Termination and Expulsion. Upon the withdrawal, termination or expulsion of a Member, the membership of such Person shall terminate. Termination of a membership shall not release any Member or the Member's heirs, administrators, executors, successors or assigns from any debts due the Cooperative. Upon a Member's termination, the Cooperative, after deducting any amounts owed the Cooperative, shall return any deposit paid by the Member and held by the Cooperative.

ARTICLE II - MEETINGS OF MEMBERS

SECTION 2.01. Annual Meeting. The date and place for the Annual Meeting of the Members shall be set by Board resolution each year, **PROVIDED, HOWEVER**, that such date shall be between April 30 and November 1 and such place shall be within a county served by the Cooperative, and, **PROVIDED, FURTHER**, that the date and place so selected shall be designated in the notice of the meeting ("Annual Meeting"). The Annual Meeting shall be for the purpose of electing directors in uncontested elections, announcing the result of contested director elections, receiving reports covering the previous fiscal year and transacting such other business as may properly come before the meeting. Nothing in these Bylaws shall be construed, however, to authorize the consideration of any matter which, under these Bylaws, the Articles of Incorporation or any provision of law, are required to be, but have not been stated in the notice of the Annual Meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the Annual Meeting. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2.02. Special Meeting. Special meetings, or a special meeting in lieu of the Annual Meeting of Members, may be requested by a vote of not less than two-thirds (2/3) of the Board of Directors, upon the written request of not less than two-thirds (2/3) of the Board of Directors currently in office, or upon the written request of not less than ten percent (10%) of the Members of the Cooperative (“Special Member Meeting”). The written request of Members shall:

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

Upon submission of a complete and valid request to the Secretary of the Cooperative, it shall be the duty of the Secretary to promptly cause notice of such meeting to be given to the Members. A Special Member Meeting may be held at such place within a county served by the Cooperative as designated by the Board of Directors on such date not sooner than fifteen (15) days after the submission of a complete and valid request is received by the Secretary of the Cooperative, and beginning at such hour as determined by the Board of Directors and specified in the notice of the Special Member Meeting. If, within thirty (30) days of receiving a complete and valid written request from Members, the Cooperative fails to properly notify the Members of the Special Member Meeting, then a Member signing a written request may reasonably set the time, place and location of the Special Member Meeting and properly notify Members of same.

SECTION 2.03. Notice of Members’ Meetings. The Cooperative shall provide written notice to each Member of record then entitled to vote at an Annual Meeting, stating the place, day and hour of the meeting (and in case of a properly requested Special Member Meeting, the purpose or purposes for which the meeting is called). Such notice may be provided by any means provided in Section 7.11 of these Bylaws. The failure of any Member to receive notice of an Annual or Special Member Meeting (collectively “Member Meeting”), which has been given by means described in Section 7.11, shall not invalidate any action which may be taken by the Members at any such meeting.

SECTION 2.04 Waiver of Notice. Notice of any Member Meeting need not be given to any Member who signs a waiver of notice either before or after the Member Meeting. Attendance of a Member in person or by proxy at a Member Meeting shall of itself constitute waiver of notice and waiver of

any and all objections to the place of the meeting, the time of the meeting or the manner in which it has been called or convened, except when a Member attends a Member Meeting in person or by proxy solely for the purpose of stating at the beginning of the meeting any such objection or objections to the transaction of business.

SECTION 2.05. Record Date.

- (a) For the purpose of determining Members entitled to notice of or to vote at a Member Meeting or any adjournment thereof, or in order to make a determination of Members for any other proper purpose, the Board of Directors may provide that the membership books shall be closed for a stated period not to exceed ninety (90) days;
- (b) In lieu of closing the membership books, the Board of Directors may fix, in advance, a date as the record date for any such determination of Members, such date in any case to be not more than ninety (90) days prior to the date on which the particular action requiring such determination of Members is to be taken;
- (c) If the membership books are not closed and no Record Date is fixed for the determination of Members entitled to notice of or to vote at a Member Meeting, the date on which notice of the meeting is mailed to all Members shall be the Record Date for such determination of membership or, if such notice is not mailed to all Members on the same date, the date five (5) days prior to the meeting shall be the Record Date for such determination of membership;
- (d) When the determination of Members entitled to vote at any Member Meeting has been made as provided in this Section 2.05, such determination shall apply to any adjournment thereof unless the Board of Directors fixes a new Record Date for the adjourned meeting.

SECTION 2.06. Quorum. Representation of at least one hundred fifty (150) Members of the Cooperative in person or by proxy shall constitute a quorum for conducting any item of official business by Members. Members who submit a mail-in ballot in a contested director election in accordance with these bylaws shall be counted only toward the quorum with respect to the contested director elections. A majority of the Registered Members present and voting in person or by proxy may adjourn the meeting from time to time whether or not a quorum is present. When a meeting is adjourned to another

time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken; and at the adjourned meeting, any business may be transacted that might have been transacted on the original date of the meeting.

SECTION 2.07. Representation of Entity Members.

An officer of an Entity, an individual having general authority to act for an Entity with respect to obtaining, monitoring and paying for Electric Service from the Cooperative, or other duly-authorized individual shall, unless determined otherwise by the Credentials and Election Committee, be deemed authorized to execute the Entity's proxy or vote the membership of such Entity Member ("Entity Representative").

SECTION 2.08. Proxies. At all meetings of Members, a Member may vote by proxy executed in writing by the Member, indicating the date the proxy is given. Such proxy shall not be voted at any meeting of the Members unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated or any adjournment of such meeting. No person shall act as proxy for any Member unless such person named as proxy is a Member of this Cooperative ("Member Proxy"). No Member Proxy shall vote as proxy for more than three (3) Members at any meeting of the Members and no proxy shall be valid after sixty (60) days from the date of its execution. The presence of a Member at a meeting of the Members shall revoke a proxy theretofore executed by him, and such Member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy.

In case of a joint membership, a proxy may be executed by either the husband or wife. The presence of either husband or wife at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if a proxy had not been executed.

SECTION 2.09. Registration. In order to participate at a Member Meeting, a Member, the Member's proxy, or an Entity Representative on behalf of the Member must register with one or more persons designated by, or under the authority of, the President/CEO ("Member Meeting Registrar"). Unless determined otherwise by the Credentials and Election Committee, upon registration, such Member shall be deemed present and authorized to participate in the Member Meeting ("Registered Member").

SECTION 2.10. Voting. Each Member who is not in a status of suspension shall be entitled to only one vote upon each matter submitted to a vote of the Members. Members shall vote by mail-in ballot in contested director elections, as

provided in these Bylaws. At all Member Meetings at which a quorum is present, the affirmative vote of a majority of the Registered Members represented at the meeting shall be the act of the membership unless the vote of a different number is required by these Bylaws, the Membership Documents or by law; PROVIDED, however, when a quorum is once present to organize a meeting, the Registered Members present may continue to do business at the meeting or at any adjournment thereof, notwithstanding the withdrawal of enough Registered Members to leave less than a quorum.

SECTION 2.11. Ballots. As soon as practicable after the time for making nominations is closed, the Credentials and Elections Committee shall meet and determine the persons duly nominated and shall cause ballots to be prepared for each director election for which there is more than one nominee. Each ballot shall:

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

SECTION 2.12. Distribution of Ballots. If there is a contested election, the Credentials and Elections Committee shall prescribe the form of the ballots and cause the ballots to be mailed, not more than ninety (90) days prior to the date of the Annual Meeting, to members in good standing on the record date set by the Cooperative.

SECTION 2.13. Conduct of Election. If there is a contested election with voting by mail, each Member desiring to vote shall mark his ballot according to the instructions of the Credentials and Elections Committee and shall return the ballot on or

before the date specified by the Credentials and Elections Committee and set forth on the ballot. The only ballots which shall be counted are those that:

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

SECTION 2.14. Rules of Order. Parliamentary procedure at any Member Meeting shall be governed by the most recent edition of *Robert's Rules of Order*, except to the extent such procedure is otherwise controlled by law, the Articles of Incorporation or these Bylaws. Any failure to conduct the meeting in compliance therewith, however, shall not render invalid any action taken at the meeting unless objection citing such failure is made at the time such action is taken.

SECTION 2.15. Credentials and Election Committee. The Board of Directors, shall, at least one hundred twenty (120) days before any Member Meeting, appoint a Credentials and Election Committee ("Credentials and Election Committee"). The Credentials and Elections Committee shall automatically disband and have no further authority upon the completion of its duties arising from the Member Meeting for which it was appointed. The Credentials and Election Committee shall consist of an uneven number of Members not less than three (3) nor more than fifteen (15). Credentials and Election Committee members shall not be members of the Nominating Committee, Cooperative employees, directors or candidates for director or a Close Relative of any of the foregoing persons. In appointing the Credentials and Election Committee, the Board may consider the equitable representation of the several areas served by the Cooperative. The Board shall appoint a chairman and a secretary.

It shall be the responsibility of the Credentials and Election Committee:

- (a) to establish or approve and oversee the manner of conducting Member registration and voting, including approving the form and content of the ballots for election of directors and the

systems and procedures for distributing, mailing, returning, collecting, verifying and counting the same;

- (b) to rule upon all questions that may arise relating to Member registration, voting and the election of directors, including, without limitation:
 - (1) ruling upon any dispute or question concerning the validity of petitions of nomination and the eligibility of candidates for election to the Board of Directors;
 - (2) ruling upon any dispute or question concerning the eligibility of any individual who presents themselves to vote on behalf of themselves, for an entity or as a proxy, whether by mail or in person at a Member Meeting;
 - (3) ruling upon any dispute or question concerning the validity of any proxy;
 - (4) ruling upon all other questions that may arise with respect to the registration of Members;
 - (5) ruling upon the effect of any ballots or votes irregularly or indecisively marked or cast;
 - (6) tabulating all ballots or other votes cast in any election or in any other matter; and
- (c) upon the request of the Board of Directors, to rule upon the eligibility of any sitting director or candidate for director; and
- (d) to serve as arbitrators for any protest with respect to whether an individual is qualified to run for director, the registration of Persons as Registered Members, participation of Persons in mail-in voting, and any ruling or vote count made at a Member Meeting or regarding mail-in ballots and voting. Such protest must be in writing, signed by one or more Members ("Protestor(s)"), and filed with the Chairman or Secretary of the Credentials and Election 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 or election results are announced. The Credentials and Election Committee shall be reconvened, after the Chairman's notice to all affected candidates. The Credentials and Election Committee shall hear such evidence as is presented by the Protestor(s) and any affected candidate, all of whom may be heard in person, by counsel, or both. The Credentials and Election Committee shall, within thirty (30) days after such hearing, render its decision. The Credentials and Election Committee shall act by majority vote and may not act on any matter unless a majority of the Credentials and Election Committee is present at a meeting. The Credentials and Election Committee's arbitration decision on all matters covered by this Section shall be final.

The Cooperative shall make available to the Credentials and Election Committee the advice of counsel and the services of accountants, clerical staff and such members of the Cooperative staff as the committee may reasonably require to fulfill its duties.

SECTION 2.16. Protest. Any protest relative to whether an individual is qualified to run for director, the registration of Persons as Registered Members, the participation of Persons in mail-in voting, the validity of proxies, and any ruling or vote count made at a Member Meeting or regarding mail-in ballots or voting shall be submitted to binding arbitration pursuant to the procedure provided in Section 2.15(d) above.

ARTICLE III – DIRECTORS

SECTION 3.01. General Powers of Board of Directors. The business and affairs of the Cooperative shall be managed by a board of nine (9) directors. All corporate powers of the Cooperative except such as are by law the Articles of Incorporation of the Cooperative or these Bylaws conferred upon or reserved to the Members shall be exercised by the Board of Directors or under the authority of the Board of Directors.

SECTION 3.02. Qualifications of Directors. No person shall be eligible to become or remain a Board member of the Cooperative:

- (a) who is not eighteen (18) years of age or older;
- (b) who is not a Member of the Cooperative;

- (c) who is not a bona fide resident of the area served by the Cooperative and is receiving Electric Service from the Cooperative at the primary residential abode of such Person, unless temporarily prevented from doing so by causes reasonably beyond such Member's control;
- (d) who is financially interested in an enterprise or organization that competes with the Cooperative, or a Close Relative of someone financially interested in an enterprise or organization that competes with the Cooperative, except that such financial interest is, in the judgment of the directors, excluding the director in question, so inconsiderable and incidental as not to pose a reasonable prospect of a conflict of interest;
- (e) who is currently or has been within the five (5) years immediately preceding the Annual Meeting at which such person is a candidate for director:
 - (1) an employee of the Cooperative; or
 - (2) a Close Relative of an employee of the Cooperative.
- (f) who is currently an employee or director of a business that regularly contracts with the Cooperative, or a Close Relative of such an employee or director;
- (g) who has been convicted of a felony;
- (h) is the incumbent of or candidate for an elective public office in connection with which a salary is paid; and
- (i) who, once elected, has failed to attend six (6) consecutive meetings of the Board, unless such absence is due to providential cause as determined by the Board, or who has been determined by the Board to be incapable, physically or mentally, of fulfilling the duties of a director.

Upon establishment of the fact that a board member is holding the office in violation of any one of the foregoing provisions, the Board shall remove such member from office upon request by the Board of Directors. The Credentials and Election Committee shall resolve disputes or uncertainties.

SECTION 3.03. Election and Tenure of Office.

The following named persons shall constitute the members of the Board, for the terms for which they were elected, according to the expiration dates following their names, or until their successors shall have been elected and shall have qualified, to wit:

Seat	Name	Term Expiration
1	N. E. Walker, Jr.	Annual Meeting of Members August, 2018
2	J. H. Pope	Annual Meeting of Members August, 2018
3	A. H. Lemmon	Annual Meeting of Members August, 2018
4	M. M. Alexander	Annual Meeting of Members August, 2016
5	J. W. Dumas	Annual Meeting of Members August, 2016
6	H. N. Park	Annual Meeting of Members August, 2016
7	W. H. Averett, Jr.	Annual Meeting of Members August, 2017
8	S. C. Goodman	Annual Meeting of Members August, 2017
9	R. B. Ogletree	Term initially expired at the August 2015 Annual Meeting of Members following which this seat #9 shall run for only a two year term, ending with the Annual Meeting of Members in August 2017, following which this seat shall run for consecutive 3-year terms, permanently.

Beginning with the Annual Meeting of the Members to be held for year 2015, and triennially thereafter, three (3) directors holding seats 1, 2 and 3 shall be elected to serve for a period of three (3) years; and, one (1) director, holding Seat 9, shall be elected to serve for a period of two years; at the Annual Meeting of the Members to be held for year 2016, and triennially thereafter three (3) directors holding seats 4, 5 and 6 shall be elected to serve for a period of three (3) years; at the Annual Meeting of the Members to be held for year 2017, and triennially thereafter three (3) directors holding seats 7, 8 and 9 shall be elected to serve for a period of three (3) years.

If an election of Board members shall not be held on the day designated herein for the Annual Meeting of Members, or at any adjournment thereof, a Special Meeting of the Members shall be held for the purpose of electing board members within a reasonable time thereafter. All members of the Board shall serve until the Annual Meeting at which their term expires, or until their successors have been elected and shall have qualified.

SECTION 3.04. Nominations.

- (a) Not less than one hundred forty (140) days before the date of the meeting at which members of the Board of Directors are to be elected or announced, the Board of Directors

shall appoint a committee on nominations, consisting of not less than five (5) nor more than eleven (11) Members who shall be selected so as to give equitable representation on the Committee for the geographical areas served by the Cooperative (the "Nominating Committee"). No Board Member, nor Close Relative of a Board Member, may serve on such committee. The committee shall meet and nominate not less than one (1) qualified Member(s) for each seat on the Board of Directors for which a vacancy will occur by term expiration. In making such nominations, the committee shall keep in mind the principal of equitable representation. The committee shall report such nominations to the Secretary of the Board or such other appropriate officer not less than one hundred twenty (120) days before the meeting. The Nominating Committee shall also cause the following persons to be informed whether or not he was nominated: each nominee and/or any person who submitted a written request for nomination to the Nominating Committee but did not receive such nomination.

- (b) In addition, any one hundred fifty (150) or more Members of the Cooperative acting together may make additional nominations in writing submitted to the Secretary of the Cooperative not less than one hundred (100) days prior to the meeting (the "Nominating Petition"), and the Nominating Petition shall:
- (1) list on each page of the Nominating Petition the name of the Member to be nominated (a Nominating Petition may list only one proposed nominee);
 - (2) indicate on each page of the Nominating Petition the director position (by naming the incumbent director) for which the Member so nominated will run; and
 - (3) contain the printed names, addresses, telephone numbers and original dated signatures signed within sixty (60) days of the first signature.
- (c) At the Member Meeting, no nominations may be made from the floor except that such nominations may be made and shall be

allowed for any directorate position whose term of office is to expire at that Member Meeting and for which there would not otherwise be any eligible nominee. If nominations are taken from the floor, the election may take place at that Member Meeting.

SECTION 3.05. Notice of Nominees. The Secretary shall be responsible for posting at the headquarters of the Cooperative the nominees for the election made by the Nominating Committee and by petition. Such posting shall be made as soon as such nominations are received and the nominees deemed qualified by the Credentials and Elections Committee, but in no event more than ten (10) calendar days after such nominations are received. The Secretary shall also be responsible for mailing, with the notice of the Annual Meeting or separately, but at least five (5) days before the date 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 any.

SECTION 3.06. Manner of Voting for and Election of Directors.

- (a) Directors shall be elected to fill the seats for those directors whose terms are expiring at each Annual Meeting.
- (b) Voting for election of directors shall be by secret ballot; PROVIDED, however that when a nominee has no opposition, secret written ballots shall be dispensed with in respect to that particular election, and voting may be conducted at the Annual Meeting of the Members by voice vote or in any other proper manner. Balloting for contested elections of directors shall be conducted by mail-in ballot as provided in these Bylaws, except as provided in Section 3.04(c).
- (c) Directors shall be elected by the majority vote of the valid votes cast by the Members. Should no candidate receive the requisite majority vote, the winner shall be chosen by a runoff election between the two candidates receiving the highest number of votes in the initial balloting. Runoff elections shall be conducted by mail-in ballot under the direction of the Credentials and Elections Committee as soon as reasonably feasible.

SECTION 3.07. Director Removal.

- (a) Director Removal Petition. As provided in this Bylaw, Members may request the removal of one (1) or more directors for any act or omission significantly and adversely affecting the Cooperative. For each director for whom removal is requested, Members shall deliver to the Chairman or Secretary a dated written petition ("Director Removal Petition"):
- (1) identifying the director;
 - (2) explaining the basis for requesting the director's removal identifying the act or omission underlying the removal request; and
 - (3) containing the printed names, printed addresses, and original and dated signatures obtained within sixty (60) days of the Director Removal Petition date, of at least ten percent (10%) of the Members entitled to elect the director.
- (b) Within thirty (30) days following the Chairman or Secretary receiving a Director Removal Petition:
- (1) the Cooperative shall forward a copy of the Director Removal Petition to the implicated director; and
 - (2) the Board shall meet to review the Director Removal Petition.
- (c) Member Meeting. If the Board determines that the Director Removal Petition complies with this Bylaw, then the Cooperative shall notice and hold a Member Meeting within sixty (60) days following the Board's determination. Notice of the Member Meeting must state that:
- (1) a purpose of the Member Meeting is to consider removing the director(s);
 - (2) evidence may be presented, and a Member vote taken, regarding removing the director(s); and
 - (3) Members may elect a successor director(s).

- (d) If a quorum is present at the Member Meeting, then for the director named in each Director Removal Petition:
- (1) evidence must be presented supporting the basis for removing the director prior to any Member vote;
 - (2) the director may be represented by legal counsel, and must have the opportunity to refute, and present evidence opposing the basis for removing the director; and
 - (3) following the director's presentation, and following Member discussion, the Members must vote whether to remove the director.
- (e) If a majority of Members present and voting and entitled to vote for the director vote to remove the director, then the director is removed effective the time and date of the Member vote. The successor to the removed director shall be selected by the majority vote of the remaining members of the Board. If there are no remaining members of the Board, the Members entitled to vote may elect new directors to succeed the removed directors without complying with the director nomination or notice provisions of these Bylaws. Any successor director elected by the Members must comply with the Director Qualifications.
- (f) Neither a Director Removal Petition or director removal affects any Board action.

SECTION 3.08. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of board members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining board members for the unexpired portion of the term.

SECTION 3.09. Compensation. Board members shall not receive any salary for their services as such. Members of the Cooperative or the Board may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments if authorized by the Board. Board members may be reimbursed for expenses actually and necessarily incurred in carrying out the Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed

accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any Close Relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the Members or the service by the board member or his Close Relative shall have been certified by the Board as an emergency measure.

SECTION 3.10. Failure of Compliance. Failure to comply with any of the provisions of this Article as to the election of directors, except bad faith or intentional failure to comply, shall not affect the validity of the election of any director. In no event shall it invalidate the actions of all or any of the directors taken thereafter.

SECTION 3.11. Rate Schedules, Policies, Rules and Regulations. The Board of Directors shall have power to make, adopt, amend and promulgate such policies, rate schedules, rules and regulations and terms of providing Electric Service not inconsistent with the law or the Articles of Incorporation or Bylaws of the Cooperative as it may deem advisable for the management, administration, operation, financing and regulation of the business and affairs of the Cooperative.

ARTICLE IV – MEETINGS OF DIRECTORS

SECTION 4.01. Regular Meetings of Directors. A regular meeting of the Board of Directors shall also be held monthly or more often at such time and place within one of the counties in which the Cooperative provides electric service, as the Board of Directors may provide by resolution. Such regular meetings may be held without notice, except when business to be transacted there at 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 Chairman of the Board 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 4.02. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board or any four (4) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors called by them, which shall,

unless authorized by a majority of the entire Board of Directors, be in Lamar County, Georgia.

SECTION 4.03. Meeting By Telephone. Unless the majority of the Board agrees otherwise, the members of the Board of Directors, or any committee designated by such Board, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting in this manner shall constitute presence in person at such meeting.

SECTION 4.04. Written Consent. Any action which may be or which is required to be taken at a meeting of the Board of Directors may be done without a meeting if a written consent setting forth the action so taken is signed by all the directors and filed with the minutes of the proceedings of the Board of Directors.

SECTION 4.05. Notice and Waiver of Notice. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by or at the direction of the Chairman of the Board, the Secretary or the persons calling the meeting. The notice shall be given to each director at least five (5) days prior to the meeting by written notice, as provided in Section 7.11 of these Bylaws. Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except when 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 or convened, which objection shall be voiced at the commencement of the meeting.

SECTION 4.06. Quorum for Meeting of Directors. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. A majority of the directors present may adjourn the meeting to another time and place without further notice whether or not a quorum is present; 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.

SECTION 4.07. Action of Board of Directors. The vote of a majority of directors present and voting at the time of the vote, if a quorum is present at such time, shall be the act of

the Board of Directors unless the vote of a greater number is required by law, the Articles of Incorporation or these Bylaws.

ARTICLE V – OFFICERS

SECTION 5.01. **Number and Title.** The officers of the Cooperative shall be a Chairman, Vice-Chairman, Secretary, Treasurer, Assistant Secretary and Assistant Treasurer and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 5.02. **Election and Term of Office.** The officers shall be elected annually by and from the Board of Directors at the first meeting of the Board of Directors held after each Annual Meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as feasible. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding Annual Meeting of the Members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers. Any other officers may be appointed by the Board from among such persons, and with such title, tenure, responsibilities and authorities as the Board of Directors may from time to time deem advisable.

SECTION 5.03. **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 5.04. **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 5.05. **Chairman.** Unless determined otherwise by the Board of Directors, the Chairman, if present, shall preside at all meetings of the Board of Directors and Members and shall have general supervision, direction and control of the business and affairs of the Cooperative and shall have the general powers and duties usually vested in the office of Chairman of the Board of a Cooperative and shall further have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws, without limitation; PROVIDED, that certain duties and authorities normally exercised by the chief executive officer of a Cooperative may, upon resolution of the Board of Directors, be delegated through job descriptions or other written policies or procedures to the President/CEO or other employees, officers or agents of the Cooperative.

SECTION 5.06. **Vice-Chairman.** In the absence of the Chairman, or in the event of his inability or refusal to act,

the Vice-Chairman shall perform the duties of the Chairman and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 5.07. Secretary. The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative 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) keeping a register of the names and post office addresses of all members;
- (e) signing, with the President/CEO, such documents the issue of which shall have been authorized by the Board or the Members;
- (f) keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any Member at any reasonable time) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any Member upon request; and
- (g) in general performing 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.

SECTION 5.08. Assistant Secretary. In the absence of the Secretary, or in the event of his inability or refusal to act, the Assistant Secretary shall perform the duties of the Secretary, and when so acting shall have all the powers of and be subject to all the restrictions upon the Secretary. The Assistant Secretary shall also perform such other duties as from time to time may be assigned to him by the Board.

SECTION 5.09. **Treasurer.** The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all 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) the general performance of 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.

SECTION 5.10. **Assistant Treasurer.** In the absence of the Treasurer, or in the event of his inability or refusal to act, the Assistant Treasurer shall perform the duties of the Treasurer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Treasurer. The Assistant Treasurer shall also perform such other duties as from time to time may be assigned to him by the Board.

SECTION 5.11. **Delegation of Secretary's and Treasurer's Responsibilities.** Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 5.07, 5.08, 5.09 and 5.10, and except as otherwise limited by law, the Board of Directors, by resolution, may delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such officers' duties to one or more agents or other officers of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 5.12. **President/CEO.** The Board of Directors may appoint a President/CEO who shall be a Member of the Cooperative, unless waived by the Board of Directors. The President/CEO shall perform such duties as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.

ARTICLE VI – NON-PROFIT OPERATIONS

SECTION 6.01. **Non-Profit Operations.** The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons.

SECTION 6.02. Patronage Capital in Connection with Furnishing Electric Service- Receipt. In the furnishing of Electric Service, the Cooperative's operation shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of Electric Service in excess of operating costs and expenses properly chargeable against the furnishing of Electric Service. All such amounts in excess of operating cost and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. No interest or dividend shall be paid or be payable by the Cooperative on any capital furnished by its patrons.

SECTION 6.03. Patronage Capital - Accounts. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expense. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. The Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron by notification to all patrons of the aggregate amount of such excess with an explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. Notwithstanding any other provision of these Bylaws to the contrary, the Board of Directors, at its discretion, may allocate capital credits for an individual Member or class of Members based upon rates and costs of service for that Member or that class.

SECTION 6.04. Patronage Capital - Status as Such – Security Interest. 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 of capital and shall be held subject to the security interest provided in Section 6.11 below.

SECTION 6.05. Other Patronage Capital - Allocation. All other amounts received by the Cooperative from its operation 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 the patrons as herein provided, or if determined by the Board of Directors, designated as permanent, non-allocated capital.

SECTION 6.06. Patronage Capital From Other Organizations. Notwithstanding any other provision of these Bylaws, the Board shall have the power to adopt rules providing for the separate accounting for and procedure for the retirement of such other amounts of capital credited to the accounts of patrons, which correspond to capital credited to the account of the Cooperative by other organizations in which the Cooperative is a member. Such rules shall, among other things:

- (a) Establish a method for determining portions of such capital credited to each of the Cooperative's patrons for each applicable fiscal year.
- (b) Provide for the separate identification thereof for each patron on the Cooperative books.
- (c) Provide for appropriate notification thereof to patrons.
- (d) Preclude a general or special retirement thereof prior to actual receipt of such capital by the Cooperative.

SECTION 6.07. Patronage Capital - Dissolution. In the event of dissolution or liquidation of the Cooperative, to the extent sufficient assets are available:

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

SECTION 6.08. Patronage Capital - Distribution Prior to Dissolution. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, amount,

basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital.

SECTION 6.09. Patronage Capital - Distribution to Estates or Representatives of Deceased Members.

Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power, upon the death of any natural patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; PROVIDED, however, that the financial condition of the Cooperative will not be impaired thereby.

SECTION 6.10. Patronage Capital - Assignment.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or part of such patron's premises served by the Cooperative unless the Board of Directors acting under policies of general application shall determine otherwise.

SECTION 6.11. Cooperative's Security Interest and Right to Set-Off. Notwithstanding any other provision of these Bylaws, all amounts credited to the capital account of any Member pursuant to this Article, and any other sums held by the Cooperative which are payable or may become payable to such Member, and all payments or other distributions thereof, shall be held by the Cooperative subject to a security interest in favor of the Cooperative therein to secure the payment of all debts of such Member to the Cooperative, whether for Electric Service or otherwise, and may be set off against such debts at the time such debts or distributions would become payable to such Member by the Cooperative.

SECTION 6.12. Patronage Capital Contract with Member. 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.

- (a) Non-Member Patrons and Non-Member former Patrons shall have none of the rights granted by the Governing Documents to Members, other than the rights to:

- (1) Be allocated and paid by credit to a Capital account Capital Credits and Affiliated Capital Credits; and
 - (2) Receive retired and refunded Capital Credits and Affiliated Capital Credits; and
- (b) Non-Member Non-Patrons shall have none of the rights granted by the Governing Documents to Members.

ARTICLE VII – OPERATIONS AND MISCELLANEOUS

SECTION 7.01. **Bonds of Officers and Employees.**

The Board of Directors may require the Treasurer, and any other officer of the Cooperative charged with the responsibility for the custody of any of its property, to be bonded in such sum and with such surety as the Board of Directors shall determine. The Board of Directors may, at its discretion, require any other officers, agents or employees of the Cooperative to be bonded in such amount and with such surety as the Board shall determine. All premiums and expenses associated with the acquisition and maintenance of the bonds for such officers, agents or employees shall be paid by the Cooperative.

SECTION 7.02. **Reports.** The Cooperative shall, within four (4) months of the close of the fiscal year, prepare 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. Such report shall be provided to any Member requesting it.

SECTION 7.03. **Fiscal Year.** The fiscal year of the Cooperative shall be as determined by the Board of Directors.

SECTION 7.04. **Authority for Execution of Instruments.** Except as otherwise provided by these Bylaws or by law, 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 of and on behalf of the Cooperative, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent or employee shall have any power or authority to bind the Cooperative by any contract or engagement, to pledge its credit, to render it liable for any sum of money or for any other purpose.

SECTION 7.05. **Checks, Drafts, Etc.** All checks, drafts or other order for the payment of money and all notes or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, or employee or employees of the Cooperative and in

such manner as shall from time to time be determined by resolutions of the Board of Directors.

SECTION 7.06. Bank Accounts and Deposits. All funds and investments of the Cooperative shall be deposited or invested from time to time to the credit or name of the Cooperative in such banks, trust companies or other depositories or securities as the Board of Directors may select or as may be selected by any officer or officers, agent or agents of the Cooperative to whom such power may be delegated from time to time by the Board.

SECTION 7.07. Membership in Other Organizations. The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the directors.

SECTION 7.08. Books, Records, Accounting Systems and Reports. The Cooperative shall keep and maintain at its principal place of business adequate and correct accounts of the properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses and margins in capital.

SECTION 7.09. Obligations of Cooperative for Service. The Cooperative will use Prudent Utility Practices to furnish adequate and dependable Electric Service. HOWEVER, THE COOPERATIVE CANNOT, AND THEREFORE DOES NOT, REPRESENT, WARRANT OR GUARANTEE A CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY.

SECTION 7.10. Circulation of Newsletter. For the purpose of disseminating information devoted to the science of agriculture, to agricultural cooperation and to productive means of exploiting electric energy, the Board of Directors shall be authorized to periodically circulate a newsletter to the Members. The annual subscription therefore shall be deducted from any funds accruing in favor of such Members, so as to reduce such funds in the same manner as with any other expense of the Cooperative. Six dollars per year per member will be allocated to providing said member Georgia Magazine.

SECTION 7.11. Notice. In these Bylaws:

- (a) **Notice Type.** Unless otherwise provided in these Bylaws, notice may be:
 - (1) oral or written; and
 - (2) communicated:
 - (i) in person;

- (ii) by telephone, telegraph, teletype, facsimile, electronic communication or other form of wire or wireless communication;
- (iii) by mail or private carrier; or
- (iv) if the above-listed forms of communicating notice are impractical, then by newspaper of general circulation in the area where published, or radio, television, or other form of public broadcast communication.

If addressed or delivered to an address shown in the Cooperative records, then a written notice or report delivered as part of a newsletter, magazine, or other publication regularly sent to Members constitutes a written notice or report to all Members:

- (1) residing at the address; or
- (2) having the same address shown in the Cooperative records.

- (b) **Notice Effective Date.** If communicated in a comprehensible manner, then unless otherwise provided in these Bylaws:

- (1) oral notice is effective when made or sent in person, by telephone, telegraph, teletype, facsimile, electronic communication or other form of wire or wireless communication
- (2) written notice is effective upon the earliest of:
 - (i) when received;
 - (ii) when left in a conspicuous place on Member's premises;
 - (iii) with the postmark evidencing deposit in the United States Mail, if correctly addressed and:

- (A) mailed with first class postage affixed, then three (3) days after deposit in the United States Mail; or
 - (B) mailed with other than first class, registered, or certified postage affixed, then ten (10) days after deposit in the United States Mail; or
- (3) If sent by registered or certified mail, return receipt requested, and if the return receipt is signed by, or on behalf of, the addressee, then on the date indicated on the return receipt.

Written notice is correctly addressed to a Member if addressed to the Member's address shown in the Cooperative records.

SECTION 7.12. Governing Law. These Bylaws must be governed by and interpreted under the laws of the State of Georgia.

SECTION 7.13. Titles and Headings. All titles and headings of Bylaw articles, sections and sub-sections are for convenience and reference only and do not affect the interpretation of any Bylaw article, section or sub-section.

SECTION 7.14. Partial Invalidity. When reasonably possible, every Bylaw article, section, sub-section, paragraph, sentence, clause or provision (collectively "Bylaw Provision") must be interpreted in a manner by which the Bylaw Provision is valid. The invalidation of any Bylaw Provision by any Entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the Cooperative and Members, does not invalidate the remaining Bylaw Provisions.

SECTION 7.15. Cumulative Remedies. The rights and remedies provided in these Bylaws are cumulative. The Cooperative or any Member asserting any right or remedy provided in these Bylaws does not preclude the Cooperative or Member from asserting other rights or remedies provided in these Bylaws.

SECTION 7.16. Entire Agreement. Between the Cooperative and any Member, the Membership Documents:

- (a) Constitute the entire agreement; and
- (b) Supersede and replace any prior or contemporaneous oral or written communication or representation.

SECTION 7.17. Successors and Assigns. To the extent allowed by law:

- (a) The duties, obligations and liabilities imposed upon the Cooperative or any Member by these Bylaws are binding upon the successors and assigns of the Cooperative or Member; and
- (b) The rights granted to the Cooperative by these Bylaws inure to the benefit of the Cooperative's successors and assigns.

The binding nature of the duties, obligations and liabilities imposed by these Bylaws upon the successors and assigns of the Cooperative and any Member does not relieve the Cooperative or Member of the duties, obligations and liabilities imposed by these Bylaws upon the Cooperative or Member.

ARTICLE VIII – INDEMNIFICATION AND INSURANCE

SECTION 8.01. Indemnification. The Cooperative shall indemnify each person who is or was a director, officer, employee or agent of the Cooperative (including the heirs, executors, administrators or estate of such person) or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise to the full extent permitted under §§ 46-3-306(b) and (c) of the Georgia Electric Membership Corporation Act or any successor provisions of the laws of the State of Georgia. If any such indemnification is requested pursuant to §§ 46-3-306(b) or (c) of said Act or laws, the Board of Directors shall cause a determination to be made (unless a court has ordered the indemnification) in one of the manners prescribed in § 46-3-306(e) of said Act or laws as to whether indemnification of the party requesting indemnification is proper in the circumstances because he has met the applicable standard of conduct set forth in §§ 46-3-306(b) or (c) of said Act or laws. Upon any such determination that such indemnification is proper, the Cooperative shall make indemnification payments of liability, cost, payment or expense asserted against him or paid or incurred by him in his capacity as such a director, officer, employee or agent to the maximum extent permitted by said sections of said Act or laws. The indemnification obligation of the Cooperative set forth herein

shall not be deemed exclusive of any other rights, in respect of indemnification or otherwise, to which any party may be entitled under any other Bylaw provision or resolution approved pursuant to §46-3-306(e) of said Act or laws.

SECTION 8.02. Insurance. The Cooperative may purchase and maintain insurance at its expense to protect itself and any director, officer, employee or agent of the Cooperative (including the heirs, executors, administrators or estate of any such person) against any liability, cost, payment or expense described in Section 8.01 of this Article VIII, whether or not the Cooperative would have the power to indemnify such person against such liability.

ARTICLE IX – PROPERTY

SECTION 9.01. Disposition. The Cooperative may not sell any of its property other than:

- (a) property which, in the judgment of the Board of Directors, neither is nor will be necessary or useful in operating and maintaining the Cooperative's system and facilities;
- (b) services of all kinds, including Electric Service; and
- (c) personal property acquired for resale.

SECTION 9.02. Disposition of Property.

- (a) The Cooperative may not sell, mortgage, lease or otherwise encumber all or any substantial portion of its properties except as provided in O.C.G.A. § 46-3-401, as amended, or as may be amended.
- (b) Notwithstanding the foregoing subsection (a) or any other provisions of these Bylaws, no sale, lease or lease-sale of all or a substantial portion of the Cooperative's assets (other than merchandise and property which, in the judgment of the Board of Directors, are not necessary or useful in operating the Cooperative) to any other entity shall be authorized except in conformity with the following:
 - (1) If the Board of Directors looks with favor upon any proposal for such sale, lease or lease-sale, it shall first cause three (3) independent appraisers, expert in such matters,

to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease or lease-sale and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Superior Court Resident Judge for the Judicial Circuit encompassing the Cooperative's main office if one, if not, the Senior Judge thereof.

- (2) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are recommended, if any), determines that the proposal should be submitted for consideration by the Members, it shall first give every Georgia electric membership corporation nearby or adjacent to the Cooperative (which has not made such an offer for such sale, lease or lease-sale) 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 that the Cooperative has already received and a copy of the reports of the three (3) appraisers. Such electric membership corporations shall be given not less than thirty (30) days during 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.
- (3) If the Board then determines that favorable consideration should be given to the initial proposal or any subsequent proposal which has been submitted to it, it shall so notify the Members, expressing in detail each of any such proposals and shall call a Special Meeting of the Members for consideration thereof, which meeting shall not be held sooner than ninety (90) days after the giving of such notice to the Members; PROVIDED, consideration thereof by the

Members may be given at the next Annual Meeting if the Board so determines and if such Annual Meeting is not held sooner than ninety (90) days after the giving of such notice.

- (4) Any fifty (50) or more Members, by so petitioning the Board not less than thirty (30) days before the date of such Special or Annual Meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all Members any opposing or alternative positions which they may have to the recommendation that the Board has made.

The provisions of this subsection (b) shall not apply to a sale or lease-sale to one or more other electric membership corporations if the actual legal or substantive effect thereof is to merge or consolidate with such other one or more electric membership corporations.

SECTION 9.03. Security Interest. The Board of Directors, without any authorization by the Members, shall have the authority to borrow money from, without limitation, the United States of America or any agency or instrumentality thereof or any national financing institution organized on a cooperative plan for the purpose of financing its Members' programs, projects and undertakings in which the Cooperative is a member or from any other entity whatsoever and in connection with such borrowing from either one or more of such lenders, to authorize the making and issuance of bonds, notes or other evidence of indebtedness and to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or deed or deeds of trust, security deeds, financing statements and security instruments upon the pledging or encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative whether acquired or to be acquired and wherever situated, all upon such terms and conditions as the Board of Directors of this Cooperative shall determine.

ARTICLE X – SEAL

The seal of the Cooperative shall be in such form as the Board of Directors may from time to time determine. In the event it is inconvenient to affix such a seal at any time, the words "Corporate Seal" or the word "Seal" accompanying the signature of an officer for and on behalf of the Cooperative shall be the seal of the Cooperative.

ARTICLE XI – BYLAW AMENDMENTS

Except for Bylaw amendments directly relating to the election of directors, these Bylaws may be amended by either the affirmative vote of a majority of the directors serving at the time of the directors' adoption of the amendment or a majority of the Members present and voting at a Member meeting. Amendments directly relating to the election of the Board of Directors may be adopted only by a majority vote of the Members present and voting at a Member meeting.

- (a) **Sponsorship of Bylaw Amendments.** The Board of Directors may sponsor or propose bylaw amendments. Unless waived by the Board of Directors, a Bylaw amendment sponsored or proposed by Members must be:
- (1) sponsored and accompanied by a dated petition containing the printed names, addresses and original dated signatures for at least one hundred fifty (150) Members entitled to vote on the Bylaw amendment;
 - (2) delivered to and received by the Cooperative's Secretary at least one hundred twenty (120) business days prior to the Member meeting at which the Members will consider the proposed Bylaw Amendment;
 - (3) reviewed by the Board and determined by the Board to be in proper form, lawful, coherent and consistent with other provisions of the Bylaws and not altered or modified after delivery to the Cooperative.
- (b) **Notice of Bylaw Amendments.** Notice of any Member or Board meeting at which a proposed bylaw amendment will be considered must:
- (1) state that one of the purposes of the Board or Member meeting, as the case may be, is to consider the proposed bylaw amendment; and
 - (2) contain or be accompanied by a copy or summary of the proposed bylaw amendment.

A proposed Bylaw amendment may not be further amended at a Board or Member meeting unless the amendment

offered at the meeting is germane to the proposed Bylaw amendment as described in the notice for the meeting.

- (c) **Effective Date.** Unless otherwise clearly stated in the resolution adopting the Bylaw amendment, approved Bylaw amendments shall become effective immediately after approval.

ARTICLE XII DEFINITIONS

Defined terms as indicated in the introduction to these Bylaws, are as follows:

1. "Annual Meeting" shall mean the meeting of the Members held each year as set forth in Section 2.01 of Article II.
2. "Applicant" shall mean any eligible person seeking to become a member of the Cooperative as set forth in Section 1.02 of Article I.
3. "Board of Directors" or "Board" shall mean the eleven directors elected by the Members to manage the Cooperative.
4. "Bylaw Provision" shall mean every Bylaw article, section, sub-section, paragraph, sentence, clause or provision.
5. "Close Relative" shall mean a person who, by blood or by marriage (i.e., in-laws), including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, aunt, uncle, nephew, niece or first cousin of the principal.
6. "Cooperative" shall mean Southern Rivers Energy.
7. "Credentials and Elections Committee" shall mean the individuals appointed by the Board of Directors whose duties and authorities are as set forth in Section 2.12 of Article II.
8. "Director Removal Petition" shall have the meaning as set forth in Section 3.07(a) of Article III.
9. "Electric Service" shall have the meaning as set forth in Section 1.01 of Article I.
10. "Entity" shall have the meaning as set forth in Section 1.01 of Article I.
11. "Entity Representative" shall have the meaning as set forth in Section 2.07 of Article II.

12. "Joint Membership" shall have the meaning as set forth in Section 1.04 of Article I.
13. "Member" shall mean an individual or a legally married couple holding a joint membership who receive Electric Service from the Cooperative as more fully set forth in Article I.
14. "Member Meeting" shall mean, collectively, the Annual Meeting or Special Member Meeting as set forth in Sections 2.01 and 2.02 of Article II.
15. "Member Meeting Registrar" shall mean one or more persons designated by the Board of Directors to register Members at a Member Meeting and as set forth in Section 2.09 of Article II.
16. "Member Proxy" shall have the meaning as set forth in Section 2.08 of Article II.
17. "Membership Documents" shall mean the documents as set forth in Section 1.02(a)(1) of Article I.
18. "Membership Procedures and Requirements" shall have the meaning as set forth in Section 1.02 of Article I.
19. "Nominating Committee" shall mean the committee on nominations appointed by the Board of Directors as set forth in Section 3.04(a) of Article III.
20. "Nominating Petition" shall have the meaning as set forth in Section 3.04(b) of Article III.
21. "Person" shall have the meaning as set forth in Section 1.01 of Article I.
22. "Protestors" shall have the meaning as set forth in Section 2.15(d) of Article II.
23. "Prudent Utility Practices" shall mean, at a particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior to such time, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts, having due regard for, among other things, manufacturers' warranties and requirements of Governmental

Authorities of competent jurisdiction and the requirements of the Agreement.

24. "Record Date" shall have the meaning as set forth in Section 2.05 of Article II.

25. "Registered Member" shall have the meaning as set forth in Section 2.09 of Article II.

26. "Special Member Meeting" shall have the meaning as set forth in Section 2.02 of Article II.

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