

MASTER - Effective DECEMBER 19, 2013

BYLAWS OF
MITCHELL ELECTRIC MEMBERSHIP CORPORATION

INTRODUCTION

This introduction is part of the Bylaws of Mitchell Electric Membership Corporation (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 XI 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 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.

SECTION 1.03. Waiver of Membership Procedures and Requirements. Should the Cooperative ascertain that it is providing Electric Service to a Person who has not complied with the Membership Procedures and Requirements, the Board may expressly waive the Membership Procedures and Requirements and accept the Person as a Member.

SECTION 1.04 Exceptions to Membership Procedures and Requirements. Notwithstanding the foregoing, an eligible Person is automatically a Member of the Cooperative and deemed to have acquiesced to be bound by these Bylaws in as full a manner as if the Person signed the written agreement described in Section 1.02(a) above, 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 further states, in substance:
 - (1) that the Person is automatically a Member and consents to being a Member 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 1.05. **Retroactive Membership.** Upon discovery that the Cooperative has been furnishing Electric Service to any Person other than a Member, it may terminate Electric Service as provided in Section 1.10, unless such Person applies for membership in the Cooperative and complies with the foregoing Membership Procedures and Requirements or becomes a Member pursuant to Section 1.04. The membership shall be effective retroactively to the date on which such Person first began receiving such Electric Service. The Cooperative, to the extent practicable, shall correct its membership records and all related records accordingly.

SECTION 1.06. **Joint Membership.** A legally married couple 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.

The term “Member” as used in these Bylaws shall be deemed to include a legally married couple 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, 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 1.07. 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 needed or required for use on or to serve any building or facility to which the Cooperative provides Electric Service, together with the real property thereunder and all other contiguous parcels of real property under like ownership (the "Premises"), unless temporarily prevented from doing so by causes reasonably beyond the control of the Applicant or Member, pay the full price for all electric energy and power consumed under the terms and at the applicable rate provided in the Membership Documents and promptly pay all monthly bills submitted by the Cooperative;
- (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;
- (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. Each Member shall be responsible for all charges posted to the Member's account from the date the account is opened until the Member closes the account. (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, 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 use his best efforts to prevent others from so doing. In the event such facilities are interfered with, impaired in their operation or damaged by the Member, or by any other Person when the Member's reasonable care and surveillance should have prevented such, the Member shall indemnify the Cooperative and 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.
- (h) Promptly examine all bills received from the Cooperative and immediately notify the Cooperative of any charge believed to be incorrect.

SECTION 1.08. 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 1.09. 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 may prescribe.

SECTION 1.10. Termination of Membership. A Member will be deemed to have withdrawn and terminated his membership in the Cooperative upon the Board 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 1.09 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 1.08 of this Article.

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 on which the Cooperative ceased furnishing Electric Service to such Person.

SECTION 1.11. Expulsion. A Member may be expelled from membership pursuant to such reasonable terms and conditions as may from time to time be adopted by the Board.

SECTION 1.12. 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 Annual Meeting of the Members shall be held in the months of April or May of each year at such time and place within a county in which Electric Service is provided by the Cooperative, as shall be determined by the Board and designated in the notice of the meeting (“Annual Meeting”). The Annual Meeting shall be for the purpose of electing Directors, 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. If the election of Directors shall not be held on the day designated herein for any Annual Meeting, or at any adjournment thereof, the Board shall cause the election to be held at a Special Meeting of the Members as soon thereafter as convenient.

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 the majority of the Board, upon the written request of a majority of the Board 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 in which Electric Service is provided by the Cooperative 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 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 shall be provided not less than five (5) days, if notice is provided by first class mail (ten (10) days if notice is provided by a means other than first class mail) nor more than ninety (90) days before the date of the meeting. In making such computation, the date of the meeting shall not be counted. Such notice may be provided by any means provided in Section 7.12 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 7.12, 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 or a Member's Spouse Representative 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 or the Member's Spouse Representative attends a Member Meeting 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 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 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 fixes a new Record Date for the adjourned meeting.

SECTION 2.06. **Quorum.** Attendance in person of at least one hundred fifty (150) Members of the Cooperative or Spouse Representatives of Members shall constitute a quorum for any Member Meeting. A majority of the Registered Members present and voting 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 Members.**

- (a) 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 vote the membership of such Entity Member (“Entity Representative”).
- (b) Unless it is made to appear otherwise by writing executed by the Member and filed with the Secretary or the Secretary’s designated representative prior to a Member Meeting, a spouse of a Member who presents himself or herself to the Secretary or the Secretary’s designated representative at a Member Meeting as a representative of such Member shall, unless determined otherwise by the Credentials and Election Committee, be deemed authorized to register and act for the Member he or she purports to represent in as full and ample manner as if the Member were present and personally acting at the meeting (“Spouse Representative”). The presence of the Member purported to be represented by his or her Spouse Representative when made known to the Secretary, or the Secretary’s designated representative shall, however, revoke the authority hereby created and only the Member shall be entitled to act and vote at such meeting.
- (c) Except as is expressly provided for in this Section 2.07, no other Person shall have the authority to represent, act or vote for any Member at a meeting.

SECTION 2.08. **Registration.** In order to participate at a Member Meeting, a Member, a Spouse Representative or an Entity Representative must register with one or more persons designated by the Board (“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 2.09. Voting. Each Registered Member who is not in a status of suspension shall be entitled to only one vote upon each matter submitted to a vote at a Member Meeting. 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 greater number is required by 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. No Member shall vote by proxy.

SECTION 2.10. Order of Business. The Board shall determine the agenda and order of business for the Member Meetings.

SECTION 2.11. Credentials and Election Committee. The Board, may, before or during any Member Meeting, appoint a Credentials and Election Committee (“Credentials and Election Committee”). The Credentials and Election Committee shall consist of an uneven number of Members not less than five (5) 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;
- (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 disputes or questions concerning the validity of petitions of nomination and the eligibility of candidates for election to the Board;
 - (2) resolving any dispute concerning the eligibility of any individual who presents themselves at a Member Meeting to register as a Registered Member;

- (3) resolving any dispute concerning the eligibility of any individual who presents themselves at the Member Meeting to vote on behalf of a spouse who is a Member entitled to vote at such Member Meeting;
 - (4) resolving any dispute concerning the eligibility of any individual who presents themselves at the Member Meeting to vote on behalf of an Entity which is a Member entitled to vote at such Member Meeting;
 - (5) ruling upon all other questions that may arise with respect to the registration of Members;
 - (6) ruling on the effect of any ballots or votes irregularly marked or cast;
 - (7) tabulating all ballots cast; and
- (c) upon the request of the Board, to rule upon the eligibility of any sitting Director or candidate for Director; and
- (d) to serve as arbitrators for any protest relative to whether an individual is qualified to run for Director, the registration of Persons as Registered Members, and any ruling or vote count made at a Member Meeting. 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. 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 decision on all matters covered by this Section shall be final.

The Credentials and Election Committee shall be paid such per diem as the Board may determine and for mileage expenses for transportation to meetings of the Credentials and Election Committee in an amount equal to the deductible amount for mileage authorized from time to time by the Internal Revenue Service and shall have available to it the advice of counsel and other reasonable support services provided by the Cooperative.

SECTION 2.12. Protest. Any protest relative to whether an individual is qualified to run for Director, the registration of Persons as Registered Members, and any ruling or vote count made

at a Member Meeting shall be submitted to binding arbitration pursuant to the procedure provided in Section 2.11(d) above.

SECTION 2.13. **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, these Bylaws or such other reasonable procedures as prescribed by the Credentials and Elections Committee. 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.

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 or under the authority of the Board.

SECTION 3.02. **Districts.** For the purpose of providing geographic diversity, the territory served or to be served by the Cooperative shall be divided into four (4) Districts ("Director Districts"), as described and delineated by these Bylaws. Each district shall be represented by the number of Directors, and the districts are described, as follows (and on the map included with and made a part of these Bylaws):

District No. 1 shall be all of Mitchell County and all of the area of Colquitt, Thomas, Grady and Decatur Counties served by the Cooperative. (Three Directors)

District No. 2 shall be all of Baker County and all of the area of Miller, Early and Calhoun Counties served by the Cooperative. (One Director)

District No. 3 shall be all of Dougherty County and all of the area of Lee County served by the Cooperative. (Two Directors)

District No. 4 shall be all of Worth County and all of the area of Turner and Tift Counties served by the Cooperative. (Three Directors)

SECTION 3.03. **Qualifications of Directors.** No Person shall be eligible to run for election or 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 district represented 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 or has been, within five (5) years, an employee of the Cooperative or a Close Relative of an employee of the Cooperative;
- (e) who is or has been, within five (5) years, an employee, officer, Director or partner of a competing enterprise, or a Close Relative of an employee, officer, Director or partner of a competing enterprise;
- (f) who, even if otherwise eligible, 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;
- (g) who, even if otherwise eligible, is financially interested in an enterprise or organization that regularly contracts with the Cooperative, or a Close Relative of someone financially interested in an enterprise or organization that regularly contracts 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;
- (h) who has been convicted of a felony; and
- (i) who, once elected, has failed to attend six (6) consecutive meetings of the Board.

“Close Relative” as used in these Bylaws means one who bears a relationship by blood or marriage as follows: spouse, parent, child, grandchild, grandparent, brother, sister, uncle, aunt, nephew or niece.

Upon establishment of the fact that a Director is holding the office in violation of any one of the foregoing provisions, the Board shall remove such member from office.

SECTION 3.04. Qualification and Tenure. At the Annual Meeting of the Members to be held for the year 1949, nine (9) Directors shall be elected for staggered terms as follows:

Three (3) Directors for terms of one year each, or until the next Annual Meeting following their election, or until their successors shall have been elected and qualified; three (3) Directors for the terms of two years each, or until the second Annual Meeting following their election, or until their successors shall have been elected and qualified; three (3) Directors for terms of three years each, or until the third Annual Meeting following their election, or until their successors shall have been elected and qualified. At each Annual Meeting of the Members, following the Annual Meeting to be held for the year 1949, and to succeed the three (3) Directors whose terms will expire, there will be elected three (3) Directors for the full term of three years each, or until the third Annual Meeting following their election, or until their successors shall have been elected and qualified. All elections of Directors shall be subject to the provisions of these Bylaws with respect to the removal of Directors.

SECTION 3.05. **Nominations.**

- (a) The Board shall appoint, not less than sixty (60) days nor more than one hundred twenty (120) days before the date of the meeting at which members of the Board are to be elected, 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 or Close Relative of a Board Member may serve on such committee. The committee shall meet and nominate not less than one (1) nor more than two (2) qualified Member(s) for each seat on the Board for which a vacancy will occur by term expiration. The committee shall report such nominations to the Board not less than forty-five (45) days before the meeting. Such nominations shall be posted at the principal office of the Cooperative at least forty-five (45) days before the meeting.
- (b) In addition, any fifty (50) or more Members of the Cooperative acting together may make additional nominations in writing submitted to the Secretary of the Cooperative not less than thirty (30) days prior to the meeting (the "Nominating Petition"), and the Secretary shall post such nominations at the same place where the list of nominations made by the Committee is posted. The Nominating Petition shall:
 - (1) list on each page of the Nominating Petition the name of the proposed nominee;
 - (2) indicate on each page of the Nominating Petition the Director position for which the proposed nominee will run; and
 - (2) contain the printed names, addresses, telephone numbers and original dated signatures signed within sixty (60) days of the first signature.

- (c) The Cooperative shall include in the notice of the meeting a statement of the number of Directors to be elected and showing separately the nominations made by the Nominating Committee and the nominations made by petition, if any.
- (d) At the Member Meeting, no nominations may be made from the floor except that such nominations may be made and shall be allowed for any position to be filled for which there would not otherwise be any eligible nominee. Notwithstanding the provisions contained in this Section 3.05, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board after the election of Directors.

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 begin not less than one and one-half hours (1½) and not more than three (3) hours prior to the commencement of the business session of the Annual Meeting with the report on the number of Members present and Persons represented in order to determine the existence of a quorum. Ballot boxes shall be opened and maintained until the commencement of the business session of the Annual Meeting. Upon commencement of the business session, an announcement shall be made that the voting shall come to a close. Those Members in line to register and vote at the time the announcement is made to close the voting shall be allowed to vote.
- (c) Directors shall be elected by a majority vote of those Members authorized to vote for them pursuant to Article II of the Bylaws, at the meeting at which the election is to be held. Should no candidate receive a majority vote of those Members present and voting, then a run-off ballot shall be taken between the two candidates receiving the greatest number of votes.

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, including, without limitation, identifying the specific acts or omissions upon which the removal request is based; 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 a Director;
 - (2) evidence may be presented, and a Member vote taken, regarding removing the Director; and
 - (3) Members may elect a successor Director.
- (d) If a Member Quorum is present at the Member Meeting, then for each 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. At the Member Meeting, the Members entitled to vote for the Director may elect a new Director to succeed the removed Director 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 nor Director removal affects any Board action.

SECTION 3.08. **Vacancies.** Vacancies occurring on the Board shall be filled by a majority vote of the remaining Directors and Director thus elected shall serve until the expiration of the term of the Director causing such vacancy.

SECTION 3.09. **Fees; Expenses.** For their services as such, Directors shall receive no salary, but they shall, on a per diem basis, receive such fees, which may include insurance benefits, as is fixed by resolution of the Board. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in the performance of their duties.

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 Directors. In no event shall it invalidate the actions of all or any of the Directors taken thereafter.

SECTION 3.11. **Former Director.** In consideration for serving as a Director, as determined by the Board, the Cooperative may provide reasonable compensation, insurance and other benefits to a Director after the Director ceases serving as a Director. The manner, method, and amount of any compensation, insurance and benefits provided to a former Director shall, unless set by the Members, always be subject to change or abolition by the Board.

SECTION 3.12. **Rate Schedules, Policies, Rules and Regulations.** The Board 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 shall be held monthly, or more often, at such time and place as the Board may provide by resolution. Such regular meetings may be held without notice, 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 therefor is established by the Board, the Chairman may change the date, time or place of a regular monthly meeting for good cause and upon at least five (5) days' notice thereof to all Directors.

SECTION 4.02. **Special Meetings.** Special meetings of the Board may be called by the Chairman or any three (3) Directors. The person or persons authorized to call special meetings of the Board may fix the time and place for the holding of any special meeting of the Board called by them, which shall, unless authorized by a majority of the entire Board, be in Mitchell County, Georgia.

SECTION 4.03. **Meeting By Telephone.** The members of the Board, 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 or which is required to be taken at a meeting of the Board 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.

SECTION 4.05. **Notice of Special Meeting and Waiver of Notice.** Notice of the time, place and purpose of any special meeting of the Board 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 7.12 of these Bylaws, delivered personally or mailed to each Director at his last known address. If mailed, such notice shall be deemed delivered when deposited in the United States mail so addressed with first-class postage thereon prepaid. Notice of a meeting of the Board 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 shall constitute a quorum for the transaction of business at any meeting of the Board. 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 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 and 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 at the first meeting of the Board 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 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 may from time to time deem advisable.

SECTION 5.03. Removal. Any officer or agent elected or appointed by the Board may be removed by the Board 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 for the unexpired portion of the term.

SECTION 5.05. Chairman. The Chairman, if present, shall preside at all meetings of

the Board and Members unless determined otherwise by the Board 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 a chairman of the board of a cooperative and shall further have such other powers and duties as may be prescribed by the Board or these Bylaws; PROVIDED, that certain duties and authorities normally exercised by the chief executive officer of a cooperative may, upon resolution of the Board, 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.

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

- (a) keeping the minutes of meetings of the Members and the Board in one or more books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) safekeeping of the seal of the Cooperative and affixing the seal 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 post office address of all Members;
- (e) the general charge of the books of the Cooperative in which a record of the Members is kept;
- (f) keeping on file at all times a complete copy of the Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any Member and furnishing a copy of the Bylaws and all amendments thereto to a Member upon such Member's 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. **Treasurer.** The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;

- (b) the receipt and issuance of receipts for monies due and payable to the Cooperative from any source whatsoever and for deposit of all such monies in the name of the Cooperative in such depositories or investments as shall be selected in accordance with the provisions of the Bylaws; and
- (c) in general, the performance of all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board.

SECTION 5.09. 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 and 5.08, except as otherwise limited by law, the Board, 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 5.10. President/CEO. The Board may appoint a President/CEO who shall be a Member of the Cooperative, unless waived by the Board. The President/CEO shall perform such duties as the Board may from time to time require of him and shall have such authority as the Board 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, 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 not in conflict with cooperative non-profit tax status, as determined by the Board, 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; and

- (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 that sufficient assets are available:

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

SECTION 6.08. Patronage Capital - Distribution Prior to Dissolution.

- (a) If, at any time prior to dissolution or liquidation, the Board 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 shall determine the method, amount, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital.
- (b) Effective January 1, 2015, all capital credits available for distribution which are more than 30 years old will be distributed each year between July 1st and December 31st on a schedule set by the President/CEO, unless otherwise directed by the Board.

SECTION 6.09. Patronage Capital - Distribution to Estates or Representatives of Deceased Members. Notwithstanding any other provision of these Bylaws and PROVIDED that the financial condition of the Cooperative will not be impaired thereby, the Board, 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, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon.

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 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 Cooperative subject to a security interest in favor of the Cooperative to secure the payment of all debts of such Member to the Cooperative, whether for Electric Service or otherwise, 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.

ARTICLE VII – OPERATIONS AND MISCELLANEOUS

SECTION 7.01. Fidelity Insurance for Officers and Employees. The Board shall require the Treasurer, and any other officer of the Cooperative charged with the responsibility for the custody of any of its property, to be covered by fidelity insurance in such sum and with such insurance company as the Board shall determine. The Board may, at its discretion, require any other officers, agents or employees of the Cooperative to be insured in such amount and with such insurance company as the Board shall determine. All premiums and expenses associated with the acquisition and maintenance of the fidelity insurance 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.

SECTION 7.04. Authority for Execution of Instruments. The Board, except as otherwise provided by these Bylaws or by law, 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;

and unless so authorized, no officer, agent or employee shall have any power or authority to bind the Cooperative by any contract or engagement, or to pledge its credit or 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 indebtednesses 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.

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 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, although THE COOPERATIVE CANNOT AND THEREFORE DOES NOT GUARANTEE A CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY.

SECTION 7.10. Billing and Payment. It is the intention of the Cooperative that all meters will be read every month and all members will be billed monthly for all energy and power consumed.

- (a) **Billing Adjustment.** If for any reason the Cooperative is unable to read a meter, if the meter is out of order , or if it fails to register correctly, the Cooperative shall estimate the member's consumption based on consumption during preceding months, consumption during similar periods of prior years, comparative usage and sizes of connected loads and other relevant factors and the member shall pay such estimated charges in full.
- (b) **Underbilling/Overbilling.** In the event the Cooperative determines that it has

underbilled a member for electric service, the Cooperative shall be entitled to collect and the member shall pay in full, all underbilled charges for electric energy and power consumed during the period of six months prior to the date on which the billing error was discovered. Provided, however, in the event the Cooperative determines that the underbilling resulted from an intentional act, such as tampering with the meter or otherwise damaging or interfering with the Cooperative's equipment, then the Cooperative shall be entitled to collect, and *the* member shall pay in full, the entire amount of underbilled charges without regard to the period of time over which the underbilling took place. Underbilled charges shall be paid by the member regardless of the cause of the underbilling and regardless of whether the underbilling resulted from negligence or mistake of the Cooperative or its employees. In cases of hardship, the Cooperative may permit the member to pay the underbilled amount in installments. In the event the Cooperative determines it overbilled a member for electric service, the Cooperative shall refund to the member all sums it reasonably determines have been overbilled. At the option of the Cooperative, the refund may be made by giving the member a credit toward the member's monthly bill.

SECTION 7.11. **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 shall be authorized to periodically circulate a newsletter to the Members. The annual subscription therefor in the amount of One Dollar (\$1.00) or more shall be deducted from any funds accruing in favor of such Members, so as to reduce such funds in the same manner as with any other expense of the Cooperative.

SECTION 7.12. **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 on any earlier date on which a return receipt is signed by, or on behalf of, the addressee.

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

SECTION 7.13. Governing Law. These Bylaws must be governed by and interpreted under the laws of the State of Georgia.

SECTION 7.14. 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 7.15. 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 7.16. 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 7.17. 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 7.18. 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.

SECTION 7.19. Waiver. The failure of the Cooperative or any Member to assert any right or remedy provided in these Bylaws does not waive the right or remedy provided in these Bylaws.

SECTION 7.20. Seal. The seal of the Cooperative shall be in such form as the Board 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 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. Upon determination that indemnification is proper, the Cooperative shall make indemnification payments of liability, cost, payment or expense asserted against, or paid or incurred by, any person requesting indemnification to the extent so determined and permitted by the Act or successor 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 or otherwise dispose of any of its property other than:

- (a) property that, in the judgment of the Board, 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;
- (c) personal property acquired for resale; and
- (d) upon approval of the membership pursuant to the applicable provisions of Chapter 3 of Title 46 of Official Code of Georgia Annotated and the requirements and procedures of this Article IX.

SECTION 9.02. **Disposition, Sale or Lease of all or Substantially All of Cooperative Property.**

The sale, lease, lease-sale, exchange, or other disposition of all or substantially all of the Cooperative's properties and assets may be authorized and effectuated pursuant to the provisions of O.C.G.A. § 46-3-401 and Section 9.01 of these Bylaws. Not in conflict with, or in lieu of, but rather as supplementary to such sections, the following standards shall apply and the following

procedures shall be followed in authorizing such a sale, lease, lease-sale, exchange, or disposition:

- (1) The Board shall determine whether a proposal to sell, lease, lease-sale, exchange or other disposition of all or substantially all of Cooperative's assets submitted to the Cooperative by any party ("Proposal to Sell") is in the best interest of the Cooperative's present and future members. In determining whether the Proposal to Sell is in the members' best interest, the Board shall consider not only economic matters such as value of assets and rates, but also the value of the local cooperative institution. The current situation, as well as circumstances in the reasonably foreseeable future, shall be considered. The Board, without limitation, shall determine:
 - (a) Whether the Proposal to Sell is in compliance with all applicable laws, regulations, and requirements of the Cooperative's Articles of Incorporation, Bylaws, and policies;
 - (b) Whether the Proposal to Sell complies with all requirements of the Cooperative's mortgage and loan documents and other contractual obligations;
 - (c) Whether the electric service of the party interested in the sale (the "Acquiring Entity") would be at least as reliable as that provided by the Cooperative at the time of the Proposal to Sell and as projected into the reasonably foreseeable future;
 - (d) Whether rates, fees, and other charges, and service rules and regulations of the Acquiring Entity will be at least equivalent to, or better than, those of the Cooperative, both at the time of the Proposal to Sell and for the reasonably foreseeable future, but for a minimum of five (5) years. In addition, the Board should consider how the members' rates may in the future be affected by the cost of the sale;
 - (e) Whether other service functions afforded by the Acquiring Entity would be at least as good as those afforded by the Cooperative;
 - (f) Whether the Acquiring Entity would continue or enhance the Cooperative's community involvements and financial benefits.
 - (g) Whether any other factor makes such Proposal to Sell beneficial or detrimental to the Cooperative, its members and employees.

(2) Before adopting a resolution recommending such sale, lease, lease-sale, exchange, or other disposition, the Board of Directors shall designate three (3) independent appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative's assets and properties, including its good-will and going business value, and as to any other terms and conditions which, in their respective judgments, should be considered.

(3) If the Board, after receiving such appraisals (and other terms and conditions which are recommended, if any), determines that such a resolution should be adopted by the Board, it shall first give every Georgia electric membership corporation (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.

(4) 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, in compliance with O.C.G.A. § 46-3-401, describing the material terms of each such proposal 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.

(5) Any two hundred fifty (250) 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 Board's recommendation.

SECTION 9.03. Merger or Consolidation. The merger or consolidation of the Cooperative may be authorized and effectuated pursuant to the provisions of O.C.G.A. § 46-3-380, et seq. and Section 9.01 of these Bylaws. Not in conflict with, or in lieu of, but rather as supplementary to such sections, the following procedures shall be followed in authorizing such merger or consolidation:

- (1) The Board shall not institute a proposal to merge or consolidate or recommend to the membership a proposal submitted to the Cooperative by any party ("Proposal to Merge") unless it is in the best interest of the Cooperative's present and future members. In determining whether the Proposal to Merge is in the members' best interest, the Board may solicit proposals from other Georgia electric membership cooperatives and shall consider not only economic matters such as value of assets and rates, but also the value of the local cooperative institution. The current situation, as well as circumstances in the reasonably foreseeable future, shall be considered. The Board, without limitation, shall determine:
 - (a) Whether the Proposal to Merge is in compliance with all applicable laws, regulations, and

requirements of the Cooperative's Articles of Incorporation, Bylaws, and policies;

- (b) Whether the Proposal to Merge complies with all requirements of the Cooperative's mortgage and loan documents and other contractual obligations;
 - (c) Whether the electric service of the party interested in the merger or consolidation (the "Successor Cooperative") would be at least as reliable as that provided by the Cooperative at the time of the Proposal to Merge and as projected into the reasonably foreseeable future;
 - (d) Whether rates, fees, and other charges, and service rules and regulations of the Successor Cooperative will be at least equivalent to, or better than, those of the Cooperative, both at the time of the Proposal to Merge and for the reasonably foreseeable future, but for a minimum of five (5) years. In addition, the Board should consider how the members' rates may in the future be affected by the cost of the merger or consolidation;
 - (e) Whether other service functions afforded by the Cooperative's merger or consolidation would be at least as good as those afforded by the Cooperative;
 - (f) Whether the Successor Cooperative would continue or enhance the Cooperative's community involvements and financial benefits.
 - (g) Whether any other factor makes such Proposal(s) to Merge beneficial or detrimental to the Cooperative, its members and employees.
- (2) If the Board determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the Members, in compliance with O.C.G.A. § 46-3-382, describing the material terms of each such proposal, 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.
- (3) Any two hundred fifty (250) 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 Board's recommendation.

SECTION 9.04. Security Interest. The Board, 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 encumbrancing 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 this Cooperative shall determine.

ARTICLE X - 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 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 may sponsor or propose bylaw amendments. Unless waived by the Board, a Bylaw amendment sponsored or proposed by Members must be:
 - (1) sponsored and accompanied by a dated petition containing the printed names, addresses and original dated signatures for at least one hundred (100) Members entitled to vote on the Bylaw amendment;
 - (2) delivered to and received by the Cooperative at least forty-five (45) 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.

Currently, if only one Member proposes a bylaw amendment, it would have to be noticed and voted on at the Annual Meeting. Such administrative burden justifies requiring a petition signed by a significant number of Members.

ARTICLE XI - 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 in April or May of 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” shall mean the nine 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, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, aunt, uncle, nephew or niece of the principal.
6. “Cooperative” shall mean Mitchell Electric Membership Corporation.
7. “Credentials and Election Committee” shall mean the individuals appointed by the Board whose duties and authorities are as set forth in Section 2.11 of Article II.
8. “Director District” shall mean the nine districts of territory served by the Cooperative as set forth in Section 3.02 of Article III.
9. “Director Removal Petition” shall have the meaning as set forth in Section 3.07 of Article III.

10. “Electric Service” shall mean the electric power or energy furnished by the Cooperative and services and products related thereto.
11. “Entity Representative” shall have the meaning as set forth in Section 2.07 of Article II.
12. “Entity” shall have the meaning as set forth in Section 1.01 of Article I.
13. “Joint Membership” shall have the meaning as set forth in Section 1.06 of Article I.
14. “Member Meeting Registrar” shall mean one or more persons designated by the Board to register Members at a Member Meeting and as set forth in Section 2.08 of Article II.
15. “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.
16. “Member” shall mean an individual or a legally married couple holding a Joint Membership who receives Electric Service from the Cooperative as more fully set forth in Article I.
17. “Membership Documents” shall mean the documents as set forth in Section 1.02 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 as set forth in Section 3.05 of Article III.
20. “Nominating Petition” shall have the meaning as set forth in Section 3.05 of Article III.
21. “Person” shall have the meaning as set forth in Section 1.01 of Article I.
22. “Premises” shall mean any building or facility to which the Cooperative provides Electric Service, together with the real property thereunder and all other contiguous parcels of real property under like ownership.
23. “Protestor(s)” shall mean one or more Members who protest whether or not an individual is qualified to run for Director, as set forth in Section 2.11(d) of Article II.
24. “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.

25. "Record Date" shall have the meaning as set forth in Section 2.05 of Article II.
26. "Registered Member" shall have the meaning as set forth in Section 2.08 of Article II.
27. "Special Member Meeting" shall have the meaning as set forth in Section 2.02 of Article II.
28. "Spouse Representative" shall have the meaning as set forth in Section 2.07 of Article II.

12/19/2013