

Bylaws



Rayle Electric Membership Corporation

Washington, Georgia

RAYLE ELECTRIC MEMBERSHIP CORPORATION

Bylaws

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RAYLE ELECTRIC MEMBERSHIP CORPORATION

Bylaws

ARTICLE I

MEMBERS

1.01 Eligibility for Membership. Any person, as that term is defined by the Georgia Electric Membership Corporation Act, (except that a natural person must be of a legal age to conduct business in the state of Georgia, married or otherwise emancipated) who may lawfully receive electrical service from an electric membership corporation is eligible to become a member of Rayle Electric Membership Corporation, which is referred to in these Bylaws as "Cooperative."

1.02 Preconditions to Membership. No member may hold more than one membership in the Cooperative. No person shall become a member unless the following conditions have been met:

(a) The person has made a written application for membership in the Cooperative, in the form prescribed by the Cooperative.

(b) The person has agreed to take electric service from the Cooperative at one or more premises.

(c) The person has agreed to comply with and be bound by the Articles of Incorporation, Bylaws and Service Rules and Regulations of the Cooperative, and any other reasonable rules and regulations from time to time adopted by the Board of Directors of the Cooperative.

(d) The person has paid, or made satisfactory arrangement for the payment of, all past due indebtednesses owed by the person to the Cooperative, and has paid such service security deposit, membership fee, contribution in aid of construction, or any other as may be required by the Cooperative's service Rules and Regulations prescribed from time to time by the Board of Directors.

(e) The person has satisfied all other conditions established for membership by the Board of Directors.

(f) The Board has passed a resolution accepting the person into membership of the Cooperative.

Should the Cooperative ascertain that it is providing electric service to a person who has not complied with, and upon written request refuses or fails to comply with, any one or more of these preconditions, the Cooperative may terminate electric service to the premises of such person.

Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person applies for membership in the Cooperative, satisfies the foregoing conditions of membership and the Board of Directors approves membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership records and all related records accordingly.

1.03 Joint Membership. 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 requirements for membership 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 husband and wife holding a joint membership, and any provision 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) 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.

(b) The vote of either, separately or both jointly, shall constitute one (1) joint vote.

(c) A waiver of notice signed by either or both shall constitute a joint waiver.

(d) A consent signed by either or both shall constitute a consent for both.

(e) Notice to either shall constitute notice to both.

(f) Expulsion, suspension, or withdrawal of either shall terminate the joint membership.

(g) Either, but not both concurrently, may be a candidate for or elected or appointed as an officer or member of the Board of

Directors, provided that both meet the qualifications of the office.

Upon the death of either spouse holding a joint membership, such membership shall be held solely by the survivor; however, the estate of the deceased shall not be released from any debts due the Cooperative.

1.04 Transfer of Membership. A membership may be transferred but only to one who directly occupies or uses the premises being furnished electric service by the Cooperative and upon the successor member meeting the requirements of membership set forth in Section 1.02 above.

1.05 Obligations of Members and Applicants for Membership. Each member and applicant for membership shall be obligated to:

(a) Purchase from the Cooperative, as soon as electric energy shall be available, all central station electric energy purchased for use on 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 shall pay therefore at rates which shall from time to time be fixed by the Board.

(b) Comply with and be bound by the Articles of Incorporation, Bylaws and Service Rules and Regulations of the Cooperative and any other reasonable rules and regulations from time to time adopted by the Board of Directors of the Cooperative.

(c) As a condition of service, each member/customer upon being requested to do so by the Cooperative shall execute and deliver to the Cooperative, without receiving payment of consideration other than the provision of electric service by the Cooperative to the member/customer, easements of right-of-way over, on, and under such lands owned or leased by or mortgaged to the member/customer, on such reasonable terms and conditions as the Cooperative shall require to furnish electric service to said member/customer. Member/customer agrees that the Cooperative's provision of electric service to the member/customer is just and adequate compensation for the granting of such easements. Violation of any of the terms of an easement by the member/customer or agent of the member/customer may result in the termination of electric service to any premises served by the easement. The Cooperative will maintain all easements and rights-of-way in accordance with prudent utility practices.

(d) Pay all sums justly due the Cooperative under the rates, tariffs and Service Rules and Regulations promulgated from time to time by the Cooperative. When the member has more than one service connection from the Cooperative, any payment for service to him by the Cooperative shall be deemed, pro forma, to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such proration.

(e) Cause all premises to which electric service is provided by the Cooperative to become and remain wired in accordance with the specifications of the National Electric Safety Code, the Fire Insurance Underwriter's Association, any government or governmental agency having authority to prescribe such specificity and the Cooperative. In this connection, each member shall be responsible for and shall indemnify the Cooperative or any other person against injury, loss or damage resulting from any defect in or improper use or maintenance of the member's premises, wiring or apparatuses utilizing electrical energy on the premises.

IN NO EVENT, HOWEVER, SHALL THE RESPONSIBILITY OF THE COOPERATIVE EXTEND BEYOND THE POINT WHICH ITS SERVICE WIRES ARE ATTACHED TO THE MEMBER'S SERVICE ENTRANCE OR WIRING ON THE MEMBER'S PREMISES.

(f) Provide devices to protect electrical motors and equipment in event of overcurrent, low voltage, single phasing, etc.

1.06 Suspension of Membership and Reinstatement of Membership.

Upon the failure of a member to pay for electrical service provided to the member by the Cooperative within the time required, or upon the member's failure to comply with the member's obligations set forth in these Bylaws or the Service Rules and Regulations of the Cooperative, which results in the Cooperative's termination of electrical 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 this sixty (60) day period, shall pay all sums required by the Cooperative's Bylaws and Service Rules and Regulations for reinstatement of service and shall satisfactorily rectify any other non-compliance with the Service Rules and Regulations of the Cooperative and the Cooperative reinstates electric service to the premises of the member, the membership rights of the member shall be automatically reinstated.

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.

1.08 Termination of Membership. A member will be deemed to have withdrawn and terminated his membership in the Cooperative following the occurrence of any one of the following:

(a) A voluntary withdrawal from membership by a member upon payment in full of all debts, liabilities and obligations of the member to the Cooperative and compliance with such other terms and conditions as the Board of Directors may prescribe.

(b) The death or cessation of existence of member.

(c) A member who shall fail to reinstate a membership suspended in accordance with Paragraph 1.06 above shall automatically be deemed to have withdrawn and terminated his membership.

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.

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 of the member's estate from any debts due the Cooperative.

ARTICLE II

MEETINGS OF MEMBERS

2.01 Annual Meeting. The annual meeting of the members shall be held in the month of June of each year. The annual meeting shall be held at such time within the month of June, at such place within a county in which electrical service is provided by the Cooperative, as shall be determined by the Board of Directors and designated in the notice of the meeting. The annual meeting shall be for the purpose of electing directors, passing upon reports covering the meeting. Nothing herein shall be construed, however, to authorize the consideration of any matter which, under these Bylaws, the Articles of Incorporation of the Cooperative, the Georgia Electric Membership Corporation Act or any other provision of law, are required to be, but have not been stated in the notice of the annual meeting.

2.02 Special Meeting. Special meetings, or a special meeting in lieu of the annual meeting of members, may be called by the President, the Board of Directors or upon the written request of not less than ten percent (10%) of the members of the Cooperative, in which event it shall be the duty of the Secretary to cause notice of such meeting to be given to the members. A special meeting of the members may be held at such place within a county in which electrical service is provided by the Cooperative, as determined by the Board of Directors and specified in the notice of the special meeting.

2.03 Notice of Members' Meetings. Written notice stating the place, day and hour of the annual meeting of the members and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be provided not less than five (5) days (10 if notice is provided by a means other than first class mail) not more than ninety (90) days before the date of the meeting, by any reasonable means, by or at the direction of the Secretary or the officer or persons calling the meeting, to each member of record then entitled to vote at such meeting. Reasonable means of providing such notice shall include, but not be limited to, United States mail, personal delivery, electric membership corporation's newsletter or member's monthly service bill. Notice of any meeting of the members need not be given to any member who signs a waiver of notice either before or after the meeting. Attendance of a member at a 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 meeting solely for the purpose of stating at the beginning of the meeting any such objection or objections to the transaction of business.

2.04 Quorum. Attendance in person of at least 100 members of the Cooperative or persons who represent members in accordance with Section 2.05 below shall constitute a quorum for any meeting of members. A majority of those present 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.

2.05 Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. At all meetings of the members from which the member is absent, the

spouse of such absent member, or in the absence of the member and the member's spouse, a person who is of a legal age to conduct business in the state of Georgia and who established to the satisfaction of the Credentials and Election Committee that such person is a member of the household of such absent member, shall be entitled to vote in place of the member. In those instances where membership is held in the Cooperative by a corporation, club, school, church or unincorporated association, only a designated member, employee or shareholder of said organization shall be authorized to cast a vote on behalf of the corporation, club, school, church or unincorporated association. A member may be designated by only one corporation, club, school, church or unincorporated association. No member may cast the vote of more than one corporation, club, school, church or unincorporated association. At all meetings of the members at which a quorum is present, the affirmative vote of a majority of the members represented at the meeting shall be the act of the membership unless the vote of a greater number is required by the Bylaws, the Articles of Incorporation or by law; provided, however, when a quorum is once present to organize a meeting, the members present may continue to do business at the meeting or at any adjournment thereof, notwithstanding the withdrawal of enough members to leave less than a quorum. Under no circumstances may a member cast another member's ballot if that other member has personally registered his attendance at said meeting. Under no circumstances may a member vote the ballot of a letter of authorization which has been registered at the meeting by another member. The members may vote in person at the meeting or by other means as may be authorized by the Board of Directors, not withstanding any other provisions of these bylaws.

2.06 Proxies. No proxies allowed

2.07 Credentials and Election Committee. The Board of Directors shall, at least ten (10) days before any meeting of the members, appoint a Credentials and Election Committee, consisting of an uneven number of members of the Cooperative, not less than five (5) nor more than fifteen (15), who are not employees of the Cooperative or close relatives or members of the same household of existing directors or known candidates for directors to be elected at such meeting. In appointing the Committee, the Board shall have regard for equitable representation of the several areas served by the Cooperative. It shall be the responsibility of the Committee to pass upon all questions that may arise with respect to the validity of nominating petitions, registration of members, to count all ballots cast at any election, or any other ballot vote taken, and to rule upon the effect of any ballots irregularly marked, as well as to perform such other duties

concerning the conduct of the meeting as may be assigned by the Board of Directors. The Committee's decision on all such matters shall be final. The Committee is authorized to act on all matters specified above so long as more than fifty percent (50%) of those appointed are registered at the meeting and are actively performing duties assigned by the Chairman of the Committee.

2.08 Robert's Rules of Order. Parliamentary procedure at any meeting of the members 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 or 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.

ARTICLE III

DIRECTORS

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 which shall exercise all the powers of the Cooperative except such as are by law or by the Articles of Incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members.

3.02 Classes of Directors - Election and Tenure in Office. The nine (9) members of the Board of Directors are divided into three (3) classes. At each annual meeting of the members a class of directors shall be elected by the members to serve for a period of three (3) years and until the third succeeding annual meeting of the members after each director was elected, or, notwithstanding the foregoing, until their successor shall have been elected and qualified. Election of the directors shall be by secret ballot unless there is only one member nominated for a directorship coming vacant and the membership votes at the meeting to waive election by secret ballot for that directorship.

3.03 Qualifications of Directors. No person shall be eligible to become or remain a board member of the Cooperative:

(a) Who is not of a legal age to conduct business in the state of Georgia.

(b) Who is not a member of the Cooperative.

(c) Who is not a bona fide resident of the area served by the Cooperative.

(d) Who is in any way employed by or financially interested in an enterprise competing with the Cooperative in the judgment of the directors, excluding the director in question.

(e) Who has been an employee of the Cooperative within three (3) years of the date of the annual meeting in which the directorship is to be voted upon.

(f) Who bears a relationship by blood or marriage to one or more of the employees or other directors of the Cooperative as follows: husband, wife, parent, child, brother, sister, grandchild, grandparent, uncle, aunt, nephew, or niece.

Upon the 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.

3.04 Nominations by Nominating Committee. It shall be the duty of the Board to appoint, not less than 95 days before the date of each annual meeting or other meeting at which directors are to be elected, a Nominating Committee whose members shall be selected by the Board so as to give equitable representation to the geographical areas served by the Cooperative. No Board member shall be appointed to the Nominating Committee. It shall be the duty of the Nominating Committee to meet at least 45 days prior to such meetings and to nominate one or more candidates for the directorships that are to be filled at such meetings. Written notice of the names of the members of the Committee and the meeting date for the Committee shall be provided to the members prior to the Committee's meeting.

3.05 Nominations by Petition. Other nominations for such elections may be made by written petition signed by not less than 50 members which shall be submitted to the Secretary of the Cooperative or his nominee not less than 30 days prior to such meeting.

3.06 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, and if received 45 days prior to such meeting, shall include same in the notice to the members for the meeting at which the election is to be held.

3.07 Restriction on Other Nominations. Except in the event that any candidate nominated as provided in this Article is deceased or withdraws in writing from candidacy prior to the election, no other nomination shall be in order or effective. In the event that a nominated candidate dies or withdraws in writing less than fifteen (15) days prior to the meeting of members at which the election is scheduled to be held, and there are no other candidates who have been previously nominated by the Nominating Committee for the open seat for which the deceased or withdrawn candidate was nominated, then the Nominating Committee shall reconvene as soon as practicable prior to said members meeting. The Nominating Committee shall then nominate one or more candidates for each open seat or seats on the Board for which there is no candidate previously nominated by the Nominating Committee. If a candidate nominated by the Nominating Committee dies or withdraws in writing more than fifteen (15) days prior to said meeting of members, the Nominating Committee shall reconvene within five (5) days of said death or withdrawal and shall nominate one or more candidates for each open seat or seats on the Board for which there is no candidate previously nominated by the Nominating Committee. Nothing in this bylaw shall be deemed to restrict or infringe on the right of the Board of Directors to fill an open seat on the Board pursuant to Georgia law or these Bylaws.

3.08 Election. Directors shall be elected by a majority vote of those members, or those authorized to vote for them pursuant to Section 2.05 of these Bylaws, at the meeting in which the election is to be held. Should no candidate receive a majority vote, then successive ballot(s) shall be taken between the two highest candidates until one of the candidates receives a majority of the vote.

3.09 Vacancies. Vacancies occurring on the Board of Directors shall be filled by a majority vote of the remaining directors and directors thus elected shall serve until the expiration of the term of the director causing such vacancy.

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.

3.11 Compensation. Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors, a fixed sum paid on a per diem basis and expenses associated therewith may be allowed for attendance at each meeting

of the Board of Directors and such other meeting at which attendance and compensation is specifically authorized by a special or continuing resolution of the Board of Directors.

3.12 Emeritus Director. The position of Emeritus Director is hereby established in recognition of long and meritorious service rendered by directors to the Cooperative while serving as a member of the Board of Directors. A director shall become eligible for the position of Emeritus Director upon:

(a) Having attained his 70th birthday.

(b) Having served nine (9) consecutive years on the Board of Directors.

(c) Being, at the time of his election, a member of the Cooperative.

An emeritus director shall, upon request of the Board of Directors, attend meetings of the Board of Directors but shall have no vote on any matter pending before the Board of Directors. The emeritus director shall not receive any compensation by virtue of his position or services as an emeritus director nor shall he receive reimbursement for expenses incurred in his duties as emeritus director except in instances in which the emeritus director is given specific assignments by the Board of Directors and in such cases, the emeritus director shall receive per diem and mileage in an amount to be determined by the Board. Notwithstanding the foregoing, however, the Cooperative shall provide medical and hospital insurance to the same extent as such coverage is from time to time provided to employees and directors of the Cooperative.

3.13 Policies, Rules and Regulations. The Board of Directors shall have power to make and adopt such policies, rules and regulations not inconsistent with the law or the Articles of Incorporation or Bylaws of the Cooperative as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

3.14 Removal. A director may be removed from office with or without cause at any meeting of the membership with respect to which notice of such action has been given, pursuant to the requirements and procedures established by the Georgia Electric Membership Act.

3.15 Compensation of Directors; Expenses. Directors as such shall not receive any salary for their services, but said

directors shall receive such compensation, which may include insurance benefits, as may be determined by resolution of the Board of Directors. For the performance of their duties, Directors shall receive advancement or reimbursement of any travel and out-of-pocket expenses actually and reasonably incurred by them in the performance of their duties, in accordance with the Cooperative's established policies. By resolution of the Board of Directors a fixed sum and expenses-of-attendance, if any, may be allowed for attendance at each meeting of the Board of Directors; provided, however, that Directors be paid per diem and reasonable actual expenses incurred.

No Director shall receive compensation from the Cooperative for serving the Cooperative in any other capacity, nor shall any close relative of a Director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by the remaining Directors upon their certification of such an emergency measure.

"CLOSE RELATIVE" DEFINED

As used in these Bylaws, "close relative" means a person who is either a spouse, child, grandchild, parent, grandparent, brother, sister, uncle, aunt, nephew, or niece, by blood or in-law, of the principal.

3.16 Directorate Districts. The following Directorate Districts are created:

<u>Directorate District No.</u>	<u>Description</u>	<u>Number of Directors</u>
One	Wilkes County	2
Two	Lincoln County	2
Three	Greene & Morgan Counties	2
Four	Taliaferro & Hancock Counties	1
Five	Oglethorpe, Oconee, Clarke & Madison Counties	2

To be a candidate from one of the above districts the candidate must reside in said district.

ARTICLE IV

MEETINGS OF DIRECTORS

4.01 Regular Meetings of Directors. A meeting of the Board of Directors shall be held without notice immediately after the annual meeting of the members. A regular meeting of the Board of

Directors shall also be held monthly or more often at such time and place as the Board of Directors may provide by resolution, provided that a copy of said resolution is delivered to any board member who is absent from the meeting at which such resolution is adopted. Such regular meetings may be held without notice.

4.02 Special Meetings. Special Meetings of the Board of Directors may be called by the President or any three (3) 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 Wilkes County, Georgia.

4.03 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 President, 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 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 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.

4.04 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.

4.05 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.

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.

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

ARTICLE V

OFFICERS

5.01 Number. The officers of the Cooperative shall be a President, Vice-President, Secretary and Treasurer. The offices of the Secretary and of Treasurer may be held by the same person.

5.02 Election and Term of Office. The officers shall be elected, by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the 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.

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 judgement, the best interests of the Cooperative will be served thereby.

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.

5.05 President. The President may preside at 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 of management usually vested in the office of President of the Cooperative and shall further have such other powers and duties as may be prescribed by the Board of

Directors or these Bylaws; provided, that certain duties and authorities normally exercised by the chief executive officer of the Cooperative may, upon resolution of the Board of Directors, be delegated through job descriptions or other written policies or procedures to the General Manager or other employee, officer or agent of the Cooperative.

5.06 Vice-President. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

5.07 Secretary. The Secretary shall be responsible for:

(a) Keeping the minutes of meetings of the members and the Board of Directors in one or more books provided for that purpose;

(b) Seeing that all notices are duly given in accordance with these Bylaws as required by law;

(c) Safe keeping 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 a member upon such member's request.

(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 of Directors.

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 these Bylaws;

(c) In 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 of Directors.

5.09 General Manager. The Board of Directors may appoint a manager who may be, but shall not be required to be, a member of the Cooperative. The manager 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 OPERATION

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

6.02 Patronage Capital in Connection with Furnishing Electric Energy - Receipt. In the furnishing of electric energy 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 energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. No interest or dividend shall be paid or be payable by the Cooperative on any capital furnished by its patrons.

6.03 Patronage Capital - Accounts. The Cooperative is obligated to pay by credits to a capital account for each patron or patron's estate all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each 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, costs-of-service for that member or that class.

6.04 Patronage Capital-Status as Such. 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.

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 patronage 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.

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.

6.07 Patronage Capital - Dissolution. In the event of dissolution or liquidation of the Cooperative, after:

(a) All debts and liabilities of the Cooperative shall have been paid; and

(b) All capital furnished through patronage shall have been retired as provided in these Bylaws.

(c) The remaining property and assets of the Cooperative shall be distributed among members and former members on a patronage basis.

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. However, no patronage capital account will be refunded for less than \$1 (one dollar).

6.09 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.

6.10 Patronage Capital - Right of Setoff. If a member or a patron should terminate his or her membership in the Cooperative, either voluntarily, or if said membership is terminated by action of the Board of Directors or by the members at a membership meeting, and at the time of such termination the member or patron is indebted to the Cooperative for non-payment of any debt or obligation, which may include electric service, penalties, and/or other fees and services rendered as provided for in the policies of the Cooperative, the Cooperative may, at the time of the retirement of said capital credit, charge the same to the capital credit account of the member or patron and debit the member's or patron's capital credit account in the amount and credit the same to the members or patron's delinquent and unpaid account.

6.11 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.

6.12 Charges Applicable to Unclaimed Property Accounts.

Individual patronage capital accounts to which the Cooperative shall allocate assets which the Cooperative has determined to be payable to a patron or other entity, but which the intended recipient has not claimed within eighteen (18) months of the date the Cooperative first determined that payment should be made shall be assessed a one-time account maintenance fee. This account maintenance fee shall be sixty (\$60.00) dollars, unless the balance of the unclaimed property account is less than sixty (\$60.00) dollars, in which case the account maintenance fee shall be equal to the balance of that individual patronage capital account. Said individual patronage capital accounts as hereinbefore described shall be known as "Unclaimed Property Accounts". In no event shall the Cooperative assess an account maintenance fee in excess of the balance in an Unclaimed Property Account. If the account maintenance fee reduces an Unclaimed Property Account balance to zero, that Unclaimed Property Account shall be closed.

ARTICLE VII

OPERATIONS AND MISCELLANEOUS

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, in its discretion, require any other officers, agent or employee 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.

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.

7.03 Fiscal Year. The fiscal year of the Cooperative shall commence on the first day of October and end on the last day of September each year.

7.04 Authority for Execution of Instruments. The Board of Directors, 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 purpose.

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.

7.06 Bank Accounts and Deposits. All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such banks, bankers trust companies or other depositories 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.

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.

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

7.09 Obligations of Cooperative for Service. The Cooperative will use its best efforts to furnish adequate and dependable electric service, although THE COOPERATIVE CANNOT AND THEREFORE DOES NOT GUARANTEE A CONTINUOUS AND UNINTERRUPTED SUPPLY OF ELECTRICITY.

7.10 Circulation of Newsletter. For the purpose of disseminating information devoted to the science of agriculture, to agricultural cooperation and productive means of exploiting electric energy, the Board of Directors shall be authorized to periodically circulate a newsletter to the member. The annual subscription therefore 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 funds in the same manner as with any other expense of the Cooperative.

ARTICLE VIII

INDEMNIFICATION AND INSURANCE

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 Sections 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 Sections 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 Section 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 Sections 46-3-306(b) or (c) or 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, or paid or incurred by, him in his capacity as such 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 Section 46-3-306(e) of said Act or laws.

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

9.01 Disposition. The Cooperation 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; provided, however, that all sales of such property shall not in any one year exceed in value ten per centum (10%) of the value of all property of the Cooperative;

(b) Services of all kinds, including electric energy; and

(c) Personal property acquired for resale; unless such sale is authorized at a meeting of member by the affirmative vote of at least two-thirds (2/3) of the members voting thereon at such meeting in person and that two-thirds (2/3) must be a majority of the entire membership and the notice of such proposed sale shall have been contained in the notice of the meeting; or if all or substantially all of the property of the Cooperative is involved, such sale is authorized pursuant to the provisions of Section 34C-1102 of the Georgia Electric Membership Act.

9.02 Security Interest. The Board of Directors, without any authorization by the members, at any regular meeting of the Board of Directors or any special meeting of which notice of the intent and purpose of the meeting is given in writing, shall have full power and authority to borrow money from the United State of America or any agency or instrumentality thereof or any national financing institution organized on a cooperative plan for the purpose of financing its member's 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 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 signing for and on behalf of the Cooperative shall be the seal of the Cooperative.

ARTICLE XI

AMENDMENTS

11.01 How Bylaws Are To Be Amended. These Bylaws may be amended at any meeting of the Board of Directors by the affirmative vote of not less than a two-thirds (2/3) majority of the directors present at a meeting at which a quorum is present, provided notice of such meeting containing a copy of the proposed amendment or a reasonable synopsis thereof shall have been given at least five (5) days prior thereto; provided, however, that the Board of Directors shall not have the power to alter, amend or repeal provisions of these Bylaws or adopt new Bylaw provisions directly relating to the election of the Board of Directors. Any Bylaw provision required to be adopted or amended by the members may be altered, amended, repealed or new provisions adopted by a two-thirds (2/3) majority of those members present and voting at a regular or special meeting of the members, provided notice of such meeting containing a copy of the proposed amendment or a reasonable synopsis thereof shall have been given with the notice for such meeting.

11.02 Submission of Proposed Amendments. Any member wishing to have an amendment to the bylaws considered by the membership at the annual members' meeting must submit said proposed amendment to the Secretary of the Board of Directors in writing at least ninety days prior to said annual members' meeting.

STATEMENT OF NONDISCRIMINATION

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, age, or disability. Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, and at any USDA office, or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed complaint form or letter to USDA by:

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

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