

BYLAWS
MIDDLE GEORGIA
ELECTRIC
MEMBERSHIP
CORPORATION

TABLE OF CONTENTS

Accounting Systems & Reports	19
Attorney	10
Contracts, Checks & Deposits	27
Directors	
- General Powers	11
- Voting Districts	11
- Tenure	12
- Nominations & Elections	14
- Removal	17
- Vacancies	18
- Compensation	18
Disposition of Property	32
Fiscal & Audit Year	34
General Manager	25
Indemnification	36
Meeting of Members	
- Annual Meeting	6
- Special Meetings	7
- Notice to Members	7
- Quorum	7
- Voting	8
Membership	
- Requirements	1
- Joint Membership	1
- Conversion	2
- Fees	3
- Termination	4
- Transfer	6
- Easements	6
- In Other Organizations	34
Patronage Capital	28
Rate Changes	20
Seal of Corporation	34
Waiver of Notice	31

Article I Membership

Section 1. Requirements for Membership

Any person, firm, association, corporation, body politic or subdivision thereof, who or which is not receiving electric service from any corporation subject to the jurisdiction of the Georgia Public Service Commission or from any municipal corporation for the premises specified in the application, may become a member of the Middle Georgia Electric Membership Corporation, hereinafter called the "Corporation", providing the applicant has first:

- a) Made a written application for membership therein;
- b) Agreed to purchase from the Corporation electric energy as hereinafter specified;
- c) Agreed to comply with and be bound by the Articles of the Corporation, these bylaws, and any amendments thereto, and such rules and regulations as may from time to time be adopted by the Board of Directors; and
- d) Paid the membership fee as established by the Board of Directors from time to time.

No member may hold more than one membership in the Corporation and no membership in the Corporation shall be transferable, except as provided in these bylaws. No applicant shall be entitled to membership who does not receive service from the Corporation.

Section 2. Joint Membership

A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section I of this Article, may be accepted for such

membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- b) The vote of either separately or both jointly shall constitute one joint vote;
- c) A waiver of notice signed by either or both shall constitute a joint vote;
- d) Notice to either shall constitute notice to both;
- e) Expulsion of either shall terminate the joint membership;
- f) Withdrawal of either shall terminate the joint membership;
- g) Either but not both be elected or appointed as an officer or board member, provided that both meet the qualifications for such office.

Section 3. Conversion of Membership

- a) A membership may be converted to a joint membership upon a written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, these bylaws, and the rules and regulations adopted by the Board of Directors.

- b) Upon the death or divorce of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor or party remaining at the residence. The estate of the deceased shall not be released from any debts due the Corporation.
- c) A member who has an additional service fee in his or her name may transfer this fee to his or her spouse, children, or parents if neither have had a bad payment record and allow them to use this fee as a membership.

Section 4. Membership Fees

The membership fee shall from time to time, be set by the Board of Directors. Payment of said membership fees makes the member eligible for one (1) service connection. An additional service fee, as set from time to time by the Board of Directors, shall be paid for each additional service connection requested by the member and placed in that member's name.

Section 5. Purchase of Electric Energy

Each member shall, as soon as electric energy shall be available, purchase from the Corporation all electric energy used on the premises specified in his application for membership, and shall pay therefore monthly at the rates which shall, from time to time, be fixed by the Board of Directors. The Cooperative, however, cannot guarantee continuous or uninterrupted power at all times. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities, shall be subject to appropriate regulations and shall be fixed from time to time by the Corporation. It is expressly understood that amounts

of electric energy in excess of the cost of service are furnished as provided in these bylaws. Each member shall pay to the Corporation such minimum amounts per month, regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by him or her to the Corporation as and when the same shall become due and payable.

Section 6. Termination of Membership

- a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe.
- b) The Board of Directors may, by the affirmative vote of not less a majority of all of the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation adopted by the Board of Directors, but only if such member shall have been given written notice by the Corporation that such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by a majority vote of the Board of Directors or may appeal to and be reinstated by a majority vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him or her has not purchased electric energy from the Corporation, may be cancelled by a majority vote of the Board of Directors. No member who has been expelled, or whose membership has been cancelled, as

herein provided, may be reconnected for service until or unless all of his or her past due obligations to the Corporation shall have been paid.

- c) Upon withdrawal, death, cessation of existence or expulsion of a member, the membership of such members shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due the Corporation.
- d) In case of withdrawal or termination of membership in any manner, the Corporation shall repay to the member the amount of the membership fee and other refundable fees due him or her provided, however, that the Corporation shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Corporation.

Section 7. Non-Liability for Debts of the Corporation

The private property of the members of the Corporation shall be exempt from execution for the debts of the Corporation and no member shall be individually liable or responsible for any debts or liabilities of the Corporation.

Section 8. Property Interest of Members

Members shall have no individual or separate interest in the property or assets of the Corporation, except that upon dissolution of the Corporation, the property and assets of the same, remaining after all debts and liabilities of the Corporation are paid, shall be distributed which the aggregate patronage of each member bears to the total percentage of all members during the ten years next

preceding the date of the filings of the proceedings of dissolution of the Corporation. The Board of Directors are authorized to annually compute the proportion which the aggregate patronage of each member bears to the total patronage of all members and in so doing to indicate the amount of margins applicable to each member. Capital credits may be retired in such rotation as the Board of Directors may determine to be consistent with the financial soundness, stability and progress of the Corporation.

Section 9. Transfer of Membership

Membership in the Corporation shall not be transferable, except as provided in these bylaws.

Section 10. Easements

As a condition of membership, each member, upon being requested by the Cooperative, shall execute and deliver to the Cooperative without charge, easements of right-of-way over, on, and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or her or where such member shall benefit from the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

Article II Meeting of Members

Section 1. Annual Meeting

The annual meeting of the members shall be held during the month of July of each year on such day during such week as designated by the Board of Directors. The annual

meeting of the members shall be held at such place in Dooly County, Georgia, as shall be designated in the notice of the meeting, for the purpose of electing directors, passing upon reports covering the previous year, and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Corporation.

Section 2. Special Meetings

Special meetings of the members may be called by a majority vote of the Board of Directors or upon written request signed by at least 10% of all members, and within five (5) business days after notification of such action, it shall be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members shall be held at such place in Dooly County, Georgia, as may be specified in the notice of the special meeting.

Section 3. Notice to Members

Written or printed notice of the annual meeting shall be given to each member personally, by mail or by the June newsletter. Said notice shall state the place, the day and hour of the meetings; the director posts to be filled and the terms of each; and shall further show separately the nominations made by the committee on nominations and the nominations made by petition, if any, to each post.

Section 4. Quorum

Fifty (50) members or 1% of the members to whom the notice of the meeting is given, whichever is less, present in

person, shall constitute a quorum for the transaction of business at all meetings of the members. In case of a joint membership, the presence at a meeting of either husband or wife, or both, shall be regarded as the presence of one member. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another time without further notice.

Section 5. Voting

- a) Each member shall be entitled to one (1) vote upon each matter submitted to a vote. All questions shall be decided by a vote of the members in attendance, voting thereon in person. Voting shall not be permitted by mail or by proxy. Voting for all directors shall be secret ballot, except as otherwise provided in these bylaws, and on all other questions may be by voice vote. If the husband and wife hold a joint membership, they shall be jointly entitled to one (1) vote and no more in each matter submitted to a vote at a meeting of the members. At all meetings of the members, a majority of the members voting upon any question shall decide the issue except as otherwise provided by law, the Articles of Incorporation of the Corporation, or by these bylaws.
- b) The chairman of the board, the president, any vice-president, the secretary, or the treasurer or other officer of the corporation, club, school, church, or unincorporated association in which is a member of the Cooperative shall be deemed by the Cooperative to have authority to vote such membership and to execute written waivers and consents is acted upon it is made to appear fore a vote is taken or a waiver or consent is acted upon it is made to appear by a certified copy of the bylaws or resolution of the board

of directors, executive committee, or other governing body of the corporation, club school, church, or unincorporated association holding such membership that such authority is vested in some other officer or person. In absence of such certification, a person executing any such waiver or consent or presenting himself or herself at a meeting as one of such officers of such a member shall be deemed prima-facie to be duly elected, qualified, and acting as such officer and to be fully authorized to so act. In case of conflicting representation, such member shall be deemed to be represented by its senior officer in the order first stated in this section.

- c) The Board of Directors, before or during an annual meeting, may appoint a credentials and elections committee, if needed. This committee shall be composed of members who are not officers or directors of the Corporation or candidates for such positions. This committee shall be responsible for the counting of all ballots or votes cast and for ruling on the effect of any ballots or votes irregularly marked or cast and on all other questions that may arise relating to a member voting and the election of directors, including, but not limited to, the validity of petitions of nomination or qualification of candidates and the regularity of the nomination and election of directors. Any committee member related within the third degree by affinity or consanguinity computed according to the civil law, to any candidate for director shall refrain from participating in any deliberation or vote of the committee concerning such candidate.

Section 6. Determination and Certification of Questions Submitted to Vote

The result of any election for directors as declared by the Chairman and the Secretary of the meeting from certification of the tally of votes by the credentials and elections committee shall be final as to the result. The Secretary of the meeting shall certify and the Chairman shall approve the result of said election and the successful candidates therein, and shall cause the same to be transmitted forthwith to the Secretary of the Board of Directors of the Corporation, who shall record said results in the records of the Corporation. All other questions, matters or actions, including amendments to these bylaws, and the result reported to the Secretary of the Board of Directors and recorded in the records of the Corporation by the Secretary of the Board of Directors.

Section 7. Order of Business

Unless otherwise provided in the articles of incorporation or bylaws, meetings of the members shall be conducted in accordance with latest edition of "Robert's Rules or Order." The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members shall be essentially as follows:

- 1) Report on the number of members present in person in order to determine the existence of a quorum;
- 2) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be;

- 3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereof;
- 4) Presentation and consideration of reports of officers, of the Manager, and Committees;
- 5) Election of Board Members;
- 6) Unfinished business
- 7) New business;
- 9) Adjournment

Article III Directors

Section 1. General Powers

The business and affairs of the Corporation shall be managed by a Board of nine (9) directors who shall exercise all of the powers of the Corporation except such as are by law, or by the Articles of Incorporation of the Corporation, or by these bylaws, conferred upon or reserved upon or reserved to the members.

Section 2. Voting Districts

The territories served, or to be served by the Corporation shall be divided into three (3) Districts. Each District shall be represented by three (3) Directors. The Voting Districts of the Corporation shall be as follows:

- District No. 1 – Dooly County and that part of Macon County served by the Corporation
- District No. 2 – Pulaski County and that part of Houston County served by the Corporation
- District No. 3 – Wilcox County and those pars of Turner County and Ben Hill County served by the Corporation

Each of said voting Districts shall provide three (3) Directors and no more. Each Director shall be a resident of the area represented.

Section 3. Tenure and Election of Directors

Each Director shall be elected for a 3-year term at the annual meeting and shall serve until the expiration of his or her term or until a successor has been qualified and elected. The election of Directors shall be staggered between the different Districts as set forth in the following guide:

Three Year Terms & Election Rotation		
1st Year	2nd Year	3rd Year
District No. 1 (Post 1)	District No. 1 (Post 2)	District No. 1 (Post 3)
District No. 2 (Post 1)	District No. 2 (Post 2)	District No. 2 (Post 3)
District No. 3 (Post 1)	District No. 3 (Post 2)	District No. 3 (Post 3)

Except as otherwise provided in these bylaws, Directors for each District shall be elected by secret ballot and shall be voted upon only by those members present in person who reside within each such District.

If an election of Directors shall not be held in the day designated herein for the Annual Meeting or at any adjournment thereof, the Board of Directors shall cause an election to be held at a special meeting of the members to be held not less than seven (7) days nor more than twenty one (21) days thereafter. Directors shall be elected by a majority vote of the members of each District present and voting in person.

No member shall be eligible to become or remain a Director, or to hold any position of trust in the Corporation, who is not a bona fide resident of the area served by the Corporation or the District which he's or she's to represent, or who is in any way related to any incumbent director or employee of the Corporation within the third degree by affinity or consanguinity computed according to civil law, or employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the corporation, and no person shall take or hold office as Director, who is the incumbent of an elective public office in connection with which remuneration is received either as salary, fee per diem, or reimbursement for services in any form. No person shall take or hold office as a Director who is an employee of the cooperative, or has been an employee of the cooperative within three (3) years of

the date of the annual meeting at which said directorship is to be voted on. When a membership is held jointly by a husband and wife, either one, but not both may be elected a Director, provided, however, that neither one shall be eligible to become or to remain a Director or to hold a position of trust in the corporation unless both shall meet the qualifications herein above set forth. Nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

Section 4. Nominations and Elections of Directors

- (a) Nominations: It shall be the duty of the Board of Directors to appoint, a committee on nominations consisting of not less than seven (7) members, at least two (2) of whom shall be selected from each District from which a Director is to be elected. The committee will be appointed in March at the regularly scheduled board meeting in preparation of the annual meeting of the members in July. No member of the Board of Directors may serve on such a committee. Members will be informed, either by special mailing or the Cooperative March newsletter, of the date, place, and time of the Nominating Committee. The Nominating Committee shall meet on the second Thursday of April at the principal office of the Corporation.

The committee shall prepare and post at the principal office of the Corporation by April 25th or the next regular business day, a list of nominations for Directors. One candidate shall be nominated from each District by the Committee.

Fifteen (15) or more members in good standing acting together may make other nominations by petition before or on April 30th or the next regular business day. Said member petitioners must be from the district in which the nomination for Director is to be made.

Such petition shall be an original and shall set forth the name of the nominee, the District and post in which the nominee is to be a candidate, the date of the meeting of the members at which the said nominee is to appear on the ballot as a candidate for Director, and shall contain the signature of each member petitioner. An accepted form of the petition shall be made available at the corporate headquarters in Vienna, Georgia by certified mail or registered mail, addressed to the Secretary of the Board of Directors, Middle Georgia Electric Membership Corporation, P.O. Box 190, Vienna, Georgia 31092, the date of the postmark of said certified or registered mailing being the date of the filing. The Secretary of the Board of Directors shall post such nominations at the place where

the list of nominations made by the Committee nominations is posted.

The Secretary shall issue in the June newsletter a statement of the number of Directors to be elected and the names and addresses of the candidates. The names of the candidates shall be arranged by Districts. Such statements shall also designate the candidates nominated by the committee and those nominated by a petition. No nominations shall be received from the floor at any meeting of the members at which Directors are to be elected.

At any meeting in which a Director shall be removed, the members residing in the District represented by such Director, may, as provided in these bylaws, elect a successor thereto without compliance with the foregoing requirements with respect to nominations, provided, however, that any successor must reside in the same District as the Director in respect of whom the vacancy occurs. Notwithstanding anything herein contained, failure to comply with any of the provisions of this Section shall not affect in any manner whatsoever the validity of any election of Directors.

(b) Election of Directors: Election of Directors shall be by printed or mimeographed ballot. The ballots shall list the names of the candidates nominated by

the Committee on nominations and by petitions. Such names shall be arranged by Districts and shall be listed in alphabetical

If there are no nominations by petitions, the persons nominated by the committee on nominations may be elected by acclamation of the members from each District without the necessity of ballot.

Section 5. Removal of Board Members by Members

Any member may claim charges against a Board Member and, by filing with the Secretary of the Board of Directors such charges in writing, together with a petition signed by at least ten (10%) percent of the members residing in the District represented by the Director against who such charges may be brought, may request the removal of such Board member by reason thereof. Such Board member shall have been informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at any annual meeting of the members, or any special meeting of the members called for that purpose. Removal of such Board member shall require two thirds (2/3) vote of the members from such District and

present at such meeting. Such meeting shall be held at such place in Dooly County, Georgia, as may be designated by the President, or by resolution of the Board of Directors, and any vacancy created by such removal may be filled by majority vote of the members from such District and present at such meeting without compliance with the foregoing provisions with respect to nominations, provided that the resulting vacancy, if any, shall be filled by a member residing in the District in which such vacancy occurs.

Section 6. Vacancies

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

Section 7. Compensation

Board members shall not receive any salary for their services as such, except that the Board of Directors may by resolution authorize payment of a fixed sum and expenses, if any, for attendance at each meeting of the Board of Directors, and for attendance at meetings, conferences, telephone conference calls, and training programs or performing committee assignments when authorized by the Board. If authorized by the Board, Board members will be reimbursed for expenses actually and necessarily incurred in carrying out such Corporation business or granted reasonable per diem allowance by the

Board in lieu of detailed account for such expenses. Except in emergencies, no Director shall receive compensation for serving the Corporation in any capacity, nor shall any close relative of a Director receive compensation for serving the Corporation, unless such compensation shall be specifically authorized by resolution of the Board of Directors.

Section 8. Rules and Regulations

The Board of Directors shall have no power to make and adopt such rules and regulations not consistent with law, the Articles of Incorporation, or these bylaws as it may deem advisable for the management, administration and regulation of the business affairs of the corporation.

Section 9. Accounting System and Reports

The Board of Directors cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such an accounting system as may from time to time be designated by the administrator of the Rural Utilities Service of the United States of America. All accounts of the Corporation may be examined by a Committee of the Board of Directors which may render reports to the Board of Directors at least four (4) times a year at regular meetings of the Board of Directors. The Board of Directors shall also, within ninety (90) days after the close of each audit year,

cause to be made a full and complete audit of the accounts, books, and financial condition of the Corporation as of the end of such audit year. Such audit report shall be available from inspection by the members.

Section 10. Executive Committee

The President of the Corporation may appoint an executive committee of three (3) members of the Board of Directors, whose duty it shall be to study and investigate and report to the Board upon all questions and matters designated to them by the Board of Directors, the members of such committee to serve at the pleasure of the President of the Corporation.

Section 11. Change in Rates

Written notice shall be given to the Administration of the Rural Utilities of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Corporation for electric energy becomes effective.

Article IV Meeting of Directors

Section 1. Regular Meetings

A regular meeting of the Board of Directors shall be held without notice other than this bylaw, immediately after the annual meeting of the members at such place in Dooly County, Georgia, as the board of Directors may provide by resolution. A regular meeting of the Board of Directors shall also be held

monthly at such time and place in Dooly County, Georgia, as the Board of Directors may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings

Special meetings of the Board of Directors may be called by the President or any three Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place (which shall be in Dooly County, Georgia) for the holding of any special meeting of the Board of Directors called by them.

Section 3. Notice

Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days prior thereto by written notice, delivered personally, or by mail, to each Director at his last known address, If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 4. Quorum

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

Section 5. Manner of Acting

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Article V. Officers

Section 1. Number

The officers of the Corporation shall be a President, Vice-President, Secretary and Treasurer.

Section 2. Election and Term of Office

The officers shall be elected by ballot annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the 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/her successor shall have been duly elected and shall have qualified,

subject to the provisions of these bylaws with respect to the removal of the officers.

Section 3. Removal

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Corporation will be served thereby.

Section 4. Vacancies

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

Section 5. President

The President:

- a) Shall be the principal executive officer of the Corporation and shall preside at all meetings of the meetings of the members of the Board of Directors;
- b) May sign deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in case in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and

- c) In general, shall perform all duties incident to the officer of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. Vice-President

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

Section 7. Secretary

The Secretary shall be responsible for:

- a) Keeping the minutes of the meeting for the members and of the Board in books provided for that purpose;
- b) Seeing that all notices are duly given in accordance with these bylaws as is required by the law;
- c) The safe-keeping of the corporate books and records, the seal of the Corporation and affixing the seal of the Corporation to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these bylaws;
- d) Keeping a register of the names and post office addresses of all members;

- e) Keeping on file at all times a complete copy of the Articles of Incorporation containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Corporation, furnishing a copy of the bylaws and all amendments thereto to any member upon request;
- f) 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 or her by the Board.

Section 8. Treasurer

The Treasurer shall be responsible for:

- a) Custody of all funds and securities of the Corporation;
- b) The receipt of and the issuance of receipts of all monies due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- c) The general performance of all the duties incident to the Office of the Treasurer and such other duties as from time to time may be assigned to him or her by the Board.

Section 9. General Manager

The Board may appoint a general manager who may be, but not be required to be, a member of the Corporation. The general manager shall perform such

duties as may be assigned to him or her from time to time by the Board of Directors.

Section 10. Attorney

The Board may appoint and retain an attorney for the Corporation who shall be the legal advisor of the Board of Directors and who shall perform such other duties as may be assigned to him or her from time to time by the Board of Directors.

Section 11. Bonds of Officers

The Treasurer and any other officer or agent of the Corporation charged with responsibility for the custody of any of its funds or property may be bonded, at the discretion of the Board of Directors, in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Corporation to be bonded in such amount and in such surety as it shall be determined.

Section 12. Compensation

The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of these bylaws.

Section 13. Reports

The officers of the Corporation shall submit at each annual meeting of the members reports of covering the business of the Corporation for the previous fiscal

year, Such reports shall set forth the condition of the Corporation at the close of such fiscal year.

Article VI. Contracts, Checks and Deposits

Section 1. Contracts

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

Section 2. Checks, Drafts, Etc.

All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidence of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits

All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks as the Board of Directors may select, subject to regulations of the Rural Electrification Administration.

Article VII. Non-Profit Operation

Section 1. Interest or Dividends on Capital Prohibited

The Corporation shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members, No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its members.

Section 2. Patronage Capital in Connection with Furnish Electric Energy

In the furnishing of electric energy the Corporation's operation shall be so conducted that members will through their patronage furnish capital for the Corporation. In order to insure patronage and to assure that the Corporation will operate on a non-profit basis, the Corporation is obligated to account on a patronage basis to all of its members for all the amounts received and receivable from the furnishings of electric energy which is in excess of operating costs and expenses properly chargeable against the furnishings of electric energy. All such amounts in excess of operating cost and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the members as capital. The Corporation is obligated to allocate credits to a capital account for each member. The books and records of the Corporation shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an

appropriate record to the capital account of each member, provided however, that no such capital credits shall be paid to any member for any fiscal year during the period of ten years before the decision of the Directors to make such payments, but shall be eligible for the payment only for the years preceding such ten-year period. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of legal obligation to do so and the member had then furnished the Corporation corresponding amounts for capital.

All other amounts received by the Corporation from its operations in excess of costs and expenses shall, insofar as permitted by law, be

- a) Used to offset any losses incurred during the current or any previous fiscal year; and
- b) To the extent not needed for that purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of members as herein provided.

In the event dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members, if, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Corporation will not be impaired thereby, the capital credits credited to the members' accounts may be retired in full or in part.

Any such retirement of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Corporation being first retired.

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

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

The members of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the Articles of Incorporation and these bylaws shall constitute and be a contract between the Corporation and each member, and both the Corporation and the members are bound by such

contract, as fully as though each member has individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the bylaws shall be called to the attention of each member of the Corporation by posting a copy of this Article in a conspicuous place in the Corporation's office.

Notwithstanding any other provisions of these bylaws, the Board of Directors shall determine the time, manner, and method for payment of capital credits.

Section 3. Patronage Refund in Connection with Furnishing Other Services

In the event that the Corporation should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of cost and expenses properly chargeable against the furnishing of the goods or services shall insofar as permitted by law, be treated the same as patronage capital and margins and be assigned to members of the Corporation each year as capital credits.

Article VIII. Waiver of Notice

Any member or director may waive, in writing, any notice of meetings required to be given by these bylaws. In case of a joint membership, a waiver of notice signed by either husband or wife shall be deemed a waiver shall be deemed a waiver of notice of such meeting by joint members. The attendance of a member or Board member at any meeting shall

constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member shall attend a meeting for the expressed purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

Article IX. Disposition of Property

Section 1.

The Corporation may not sell, mortgage, lease, or otherwise dispose of or encumber 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 Corporation's system and facilities; provided, however, that all sales of such property shall not in one year exceed in value ten (10%) percent of the value of all the property of the Corporation subject to the approval of the Rural Electrification Administration;
- b) Services of all kinds, including electric energy; and
- c) Personal property acquired for resale; unless such sale, mortgage, lease or other disposition or encumbrances shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors without authorization by the

members shall have full power and authority, and subject to the approval of the Rural Electrification Administration;

- 1) To borrow money from the United States of America or agency or instrumentality thereof, and
- 2) To borrow money from a national financing institution organized on a cooperative plan for the purpose of financing its members' programs, projects, and undertakings, in which the cooperative holds membership, and
- 3) To borrow money from any other entity acceptable to the Rural Electrification Administration, and in connection with such borrowing, to authorize the making and issuance of bonds, notes, or other evidences of indebtedness and to secure the payment thereof; to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, to the pledging or encumbering of any or all the property, assets, rights, privileges, licenses, franchises and permits of the Corporation, whether acquired or to be acquired, and whether situated, all upon such items and conditions as the Board of Directors shall determine.

Article X. Seal

The corporate seal of the Corporation shall have inscribed thereon the name of the Corporation and the words "Corporate Seal".

Article XI. Fiscal Year/Audit Year

The fiscal year of the Corporation shall begin on the first day of January of each year, and end on the thirty-first day of December of the same year. The audit year may be any twelve (12) consecutive months as approved by the Board of Directors.

Article XII. Miscellaneous

Section 1. Membership in Other Organizations

The Corporation shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided, however, that the Corporation may upon the authorization of the Board of Directors, purchase stock in or become a member of any Corporation or association for the proper operations of the Corporation or organization on a non-profit basis for the purpose of furthering the cause of rural electrification, or with the approval of the Administration, of any other Corporation for the purpose of acquiring electric facilities.

Section 2. Policies, Rules and Regulations

The Board of Directors shall have the power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with the law or the Cooperative's Articles of Incorporation or bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 3. Area Coverage

The Board shall make diligent effort to see that electric service is extended to all un-served persons within the Corporation's service who:

- a) Desire such service, and
- b) Meet all the reasonable requirements established by the Corporation as a condition of such service.

Article XIII. Amendments

The Board of Directors may amend, alter or repeal the bylaws, except those bylaws affecting election of the Board of Directors and the calling of the regular and special meetings of the members of the Corporation, by an affirmative vote of not less than two-thirds of the members of the Board of Directors at any regular meeting, provided notice of such meeting is otherwise waived. Those bylaws affecting the election of the Board of Directors or calling of regular and special

meetings of the members of the Corporation may be altered, amended, or repealed by a majority vote of those present at an annual meeting provided that notice has been given in the June News Letter of the Corporation or for a special meeting provided the members have had at least fifteen (15) but no more than thirty (30) days notice of the proposed change prior to the special meeting.

Article XIV. Indemnification

The Board of Directors shall have the power to indemnify the Officers, Directors, employees, and agents of the Corporation and to purchase liability insurance on their behalf.