

Bylaws of the Electric Membership Corporation



Coweta-Fayette

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ARTICLE I

Members

Section 1.01 Eligibility for Membership. Any person, as that term is defined by the Georgia Electric Membership Corporation Act, who may lawfully receive electrical service from an Electric Membership Corporation is eligible to become a member of Coweta-Fayette Electric Membership Corporation.

Section 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, any past due indebtedness owed by the person to the Cooperative.
- (e) The person has agreed to pay any security deposit, membership fee, contribution in aid of construction, and such other fee or charge as may be required by the Cooperative's Rates and Service Rules and Regulations in effect at the time of application.
- (f) The person has satisfied all other reasonable conditions established for membership by the Board of Directors.
- (g) 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.

Section 1.03 Retroactive Membership. Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such services 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 and all related records accordingly.

Section 1.04 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 fol-

lowing 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) A waiver of notice signed by either or both shall constitute a joint waiver.
- (c) Either, but not both concurrently, may cast the joint membership's one vote.
- (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.
- (h) Upon the death of either joint member, membership shall be held solely by the surviving spouse; however, the estate of the deceased shall not be released from any debts due the Cooperative.

Section 1.05 Transfer of Membership. A membership may be transferred only on the books of the Cooperative and 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.

Section 1.06 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 the 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) Upon request by the Cooperative, to execute and deliver to the Cooperative grants of easement of rights-of-way over, on and under such reasonable terms and conditions as the Cooperative may require, for the furnishing of electric service to the member or other members or for the Cooperative's facilities, lines and equipment for the future members and applicants for membership
- (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.
- (g) 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 other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

Section 1.07 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 and 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 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.

Section 1.08 Withdrawal. Any member may withdraw from membership upon payment in full of all debts, liabilities and obligations of the member to the Cooperative and in compliance with such other terms and conditions as the Board of Directors may prescribe.

Section 1.09 Termination of Membership. A member will be deemed to have withdrawn and terminated his membership in the Cooperative upon the Board of Directors adopting a resolution terminating the membership following the occurrence of any one of the following:

- (a) A voluntary withdrawal from membership by a member 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 1.07 above shall automatically be deemed to have withdrawn and terminated his membership without the necessity of the adoption of a resolution by the Board of Directors terminating his membership.

Section 1.10 Expulsion. A member may be expelled from membership pursuant to such reasonable terms and conditions as may from time to time be adopted by the Board of Directors.

Section 1.11 Effect of Withdrawal, Termination and Expulsion. Upon the withdrawal, termination or expulsion of a member, the membership of such person shall terminate. Termination of a membership shall not release any member or the member's estate from any debts due the Cooperative.

ARTICLE II

Meeting of Members

Section 2.01 Annual Meeting. The annual meeting of the members shall be held in the month of October each year. The annual meeting shall be held at such time within the month of October, 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 confirming and certifying the election of directors and the results of any other issue submitted to a member vote, as provided in these Bylaws, passing upon reports covering the previous fiscal year and transacting such other business as may properly come before 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

Section 2.02 Special Meeting. Special meetings, or a special meeting in lieu of the annual meeting of members, may be called by the Chairman, the Board of Directors or upon the written request of not less than ten percent 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.

Section 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 days if notice is provided by a means other than first class mail) nor more than ninety (90) days before the date of the meeting, by any means, by or at the direction of the Secretary, or the officer or persons calling the meeting, to each member of record. 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 objection to the transaction of business.

Section 2.04 Quorum. Representation of at least three hundred (300) members of the Cooperative to whom official meeting notice is given, present in person, or who have voted by mail or electronic ballot, shall constitute a quorum for conducting any item of official business by 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.

Section 2.05 Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote by the members. An affirmative vote of a majority of the members voting and representing a quorum is required unless a greater number of votes is required by these Bylaws, the Articles of Incorporation or by law. The method of casting votes for election of directors or any other matter to be voted upon by the members, whether by mail, electronic means, or in person at a properly called meeting, or any combination thereof, shall be according to the policies and procedures determined by the Board of Directors. There shall be no voting by proxy, except that whenever a vote of members is required or provided for on any matter, the spouse of the member may vote on behalf of the member unless the member has indicated otherwise to the Cooperative.

Section 2.06 Order of Business. 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. Determination of the existence of a quorum as provided in these Bylaws.
2. Reading or waiver of reading of the notice of the meeting and proof of provision of notice.
3. Reading or waiver of reading of unapproved minutes of previous meetings of the members and the taking of necessary action with respect to such minutes.
4. Presentation, consideration of and action upon reports of officers, directors and committees.
5. Confirmation and certification of the elections of directors and the results of any other issue submitted to a member vote.
6. Unfinished business.
7. New business.
8. Adjournment.

The Board may, however, in their discretion, establish a different order of business for the purpose of assuring the earlier consideration and action upon any item of business, the transaction of which is necessary or desirable in advance of any other item of business. If the Board establishes a revised order of business, notice of the revised order shall be provided in the notice of the meeting.

Section 2.07 Credential and Election Committee. The Board of Directors may, at least ten (10) days before any meeting of the members, appoint a Credential and Election Committee consisting of an uneven number of members, 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 pursuant to these Bylaws. 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 and registration of members and to assure that all ballots on any vote of the members have been properly counted and to rule upon the effect of any ballots irregularly marked, as well as to perform such other duties concerning the conduct of the election of directors as well as any other vote of the members pursuant to these Bylaws as may be assigned by the Board of Directors. The Committee's decision on all such matters shall be final.

Section 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, 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*

Section 3.01 General Powers of Board of Directors. The business and affairs of the Cooperative shall be managed by a Board of nine (9) members which shall exercise all the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.

Section 3.02 Districts. The Cooperative shall be comprised of three districts.

(a) COWETA COUNTY. This district shall consist of Coweta County.

(b) FAYETTE COUNTY. This district shall consist of Fayette County.

(c) SERVICE AREA IN COUNTIES OTHER THAN COWETA AND FAYETTE COUNTIES. This district shall consist of Clayton, Fulton, Heard, Meriwether, Spalding and Troup Counties.

Section 3.03 Election and Tenure of Office. The Board of Directors shall consist of nine seats, three of which shall be filled by election each year. Four seats – Seat 1 Coweta, Seat 2 Coweta, Seat 3 Coweta and Seat 4 Coweta – shall be held by directors residing in Coweta County, who shall be elected for three-year staggered terms by the membership at large; four seats – Seat 1 Fayette, Seat 2 Fayette, Seat 3 Fayette and Seat 4 Fayette – shall be held by directors residing in Fayette County, who shall be elected for three-year staggered terms by the membership at large; one seat shall be held by a director residing in one of the counties in the service area of the Corporation other than Coweta and Fayette Counties, which includes Clayton, Fulton, Heard, Meriwether, Spalding and Troup Counties, who shall be elected for a three-year staggered term by the membership at large. The three-year term of a director shall commence as of the annual meeting of members at which his or her election is announced and certified and shall end as of the annual meeting of members at the end of the three-year term of such director. Board members shall be elected by a plurality of the vote of the members. Should two (2) candidates tie for a plurality of the vote, then another election would be held according to the same procedures promulgated by the Board of Directors. Notwithstanding anything herein to the contrary, in the event the nominating process set forth in these Bylaws yields only one nominee with respect to the position of director of any district which must or may, pursuant to these Bylaws, be elected, then no vote of the members shall be required with respect to such director position; and the sole nominee shall be deemed elected in accordance with these Bylaws.

Section 3.04 Qualifications of Directors. No person shall be eligible to become or remain a board member of the Cooperative:

- (a) Who is not eighteen (18) years of age or older.
- (b) Who is not a member of the Cooperative.
- (c) Who is not a bona fide resident of the district the member represents.
- (d) Who is in any way employed by or financially interested in a competing enterprise.

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

Section 3.05 Nominations by Nominating Committee. It shall be the duty of the Board to appoint, not less than forty-five (45) days before the date of the meeting of the members at which board members are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected so as to give equitable representation to the geographical areas served by the Cooperative. No member of the Board may serve on such committee. Written notice of the names of the members of the committee and meeting date for the committee shall be provided to the members prior to such meeting. It shall be the duty of the nominating committee to meet not less than forty-five (45) days prior to such meeting and to nominate one or more candidates for each seat on the Board of Directors that is to be filled at such meeting.

Section 3.06 Nominations by Petition. Other nominations for such elections may be made by written petition signed by not less than fifteen (15) members, which shall be submitted to the Secretary of the Cooperative or his/her designee not less than forty-five (45) days prior to such meeting.

Section 3.07 Notice of Nominees. The Secretary shall be responsible for posting at headquarters of the Cooperative the nominees for each seat made by the nominating committee and by petition and shall provide written notice thereof to the members by separate written notice according to the rules and procedures promulgated by the Board of Directors.

Section 3.08 Prohibition of Nominations From the Floor. No nominations from the floor shall be in order.

Section 3.09 Removal. The members, in accordance with the provisions of the Georgia Electric Membership Corporation Act, may remove directors from office.

Section 3.10 Vacancies or Death of Board Member or Candidate. A vacancy occurring on the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term. In the event of death of a candidate or candidates during the period of voting prior to the annual meeting such that there are no candidates remaining for that position, then the seat for which such candidate or candidates are running shall be filled by the affirmative vote of a majority of the remaining board members for the first year of the term of such position. The remaining two years of such position shall be filled by election during the next director election cycle.

Section 3.11 Failure of Compliance. Failure to comply with any of the provisions of this Article as to the election of directors, except bad faith or intentional failure to comply, shall not affect the validity of the election of any directors. In no event shall it invalidate the actions of all or any of the directors taken thereafter.

Section 3.12 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, or service in lieu of attendance at:

- (a) Each meeting of the Board of Directors.
- (b) Each meeting of a committee of the Board of Directors.
- (c) Each state, regional or national meeting, convention, seminar, institute or clinic, provided that the Board of Directors has previously authorized such attendance.
- (d) Any other meetings at which attendance is specifically authorized by special or standing resolution of the Board of Directors.

Section 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.

ARTICLE IV

Meetings of Directors

Section 4.01 Regular Meetings of Directors. A meeting of the Board of Directors shall be held without notice immediately after, and at the same place as, 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 in which such resolution is adopted. Such regular meetings may be held without notice.

Section 4.02 Special Meetings. The Chairman or any two (2) directors may call special meetings of the Board of 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 Coweta County, Georgia. Special meetings, upon proper notice as otherwise provided herein, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such telephone conference meeting, if all the directors consent thereto.

Section 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 Chairman, 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 any reasonable means. Reasonable means for providing such notice shall include, but not be limited to, United States mail, electronic, telecopier and per-

sonal delivery. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with adequate prepaid first-class postage thereon addressed to the director at his last known address. Notice of a meeting of the Board of Directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except when a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened, which objection shall be voiced at the commencement of the meeting.

Section 4.04 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.

Section 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.

Section 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.

Section 4.07 Robert's Rules of Order. Parliamentary procedure at any meeting of the Board or any Committee thereof shall be governed by the most recent edition of Robert's Rules of Order; except to the extent such procedure is otherwise controlled by law, the Articles of Incorporation or these Bylaws. Any failure to conduct the meeting in compliance therewith, however, shall not render invalid any action taken at the meeting unless objection citing such failure is made at the time such action is taken.

ARTICLE V

Officers

Section 5.01 Number. The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary and Treasurer. The offices of Secretary and of Treasurer may be held by the same person. The Board of Directors may establish and elect an Assistant Secretary.

Section 5.02 Election and Term of Office. The officers shall be elected annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of the 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.

Section 5.03 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, whenever, in its judgment, the best interests of the Cooperative will be served thereby.

Section 5.04 Vacancies. Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5.05 Chairman. The Chairman, if present, shall preside at all meetings of the Board of Directors and members, unless waived by majority of those present and voting at such meeting, 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 Chairman 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 President and Chief Executive Officer or other employee, officers or agent of the Cooperative.

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

Section 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 or 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 members is kept;
- (f) Keeping on file at all times a complete copy of the Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member and furnishing a copy of the Bylaws and all amendments thereto to a member upon such a 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/her by the Board of Directors.

Section 5.08 Treasurer. The treasurer shall be responsible for:

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

- (b) The receipt and insurance 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/her by the Board of Directors.

Section 5.09 Assistant Secretary. Performing all duties and functions specified to be performed by the Secretary in section 5.07 at the direction of the Board of Directors or upon the absence of the Secretary.

Section 5.10 President and Chief Executive Officer. The Board of Directors may appoint a President/CEO who may be, but shall not be required to be, a member of the Cooperative. The President/CEO shall perform such duties as the Board of Directors may from time to time require of him/her and shall have such authority as the Board of Directors may from time to time vest in him/her.

ARTICLE VI

Non-Profit Operation.

Section 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.

Section 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... 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 cost and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. No interest or dividend shall be paid or be payable by the Cooperative on any capital furnished by its patrons.

Section 6.03 Patronage Capital - Accounts. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and 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 the specific amount of capital so credited to him/her. 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.

Section 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.

Sections 6.05 Other Patronage Capital - Allocation. All other amounts received by the Cooperative from its operation in excess of costs and expenses shall insofar as permitted by law, be:

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

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

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

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

- (a) All debts and liabilities of the Cooperative shall be paid; then
- (b) All capital furnished through patronage shall be retired; then
- (c) Any remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the period of the Cooperative's existence.

Section 6.08 Patronage Capital - Distribution Prior to Dissolution. If at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. However, in no event shall capital be retired if it is in conflict with the Cooperative's mortgage requirements.

Section 6.09 Patronage Capital - Distribution to Estates or Representatives of Deceased Members. Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power, upon the death of any natural patron, if the legal representative of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions

of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application and the legal representatives of such patron's estate shall agree upon; provided, however that the financial condition of the Cooperative will not be impaired thereby.

The Cooperative will retire in full those operating margins that have been allocated to the member. However, since this will be a premature distribution of non-operating margins, the non-operating assignment will be paid at an equivalent rate based on the present worth of those funds, assuming a 20-year cycle at seven percent (7%). The member will also be required to sign an agreement forfeiting any future Capital Credit allocations in his account at the time all Capital Credit is retired.

Section 6.10 Patronage Capital - Assignment. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the Assignor and only to successors in interest or successors in occupancy in all or part of such patron's premises served by the Cooperative unless the Board of Directors acting under policies of general application shall determine otherwise.

Section 6.11 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 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 member's or patron's delinquent and unpaid account.

Section 6.12 Patronage Capital Contract with Member. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE VII

Operations and Miscellaneous

Section 7.01 Bonds of Officers and Employees. The Board of Directors shall require the Treasurer and any other officer of the Cooperative charged with the responsibility for the custody of any of its property to be 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 officer, 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.

Section 7.02 Reports. The Cooperative shall, within four (4) months of the close of the fiscal year, prepare reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year. Such report shall be provided to any member requesting it.

Section 7.03 Fiscal Year. The fiscal year of the Cooperative shall be as determined from time to time by resolution of the Board of Directors.

Section 7.04 Authority of 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 other purpose.

Section 7.05 Checks, Drafts, Etc. All checks, drafts or other order for the payment of money, and all notes or evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolutions of the Board of Directors.

Section 7.06 Bank Accounts and Deposits. All funds 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.

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

Section 7.08 Accounting Systems and Reports. The Board of Directors shall cause to be established and maintained accounting systems and other financial and management systems as would be established by ordinarily prudent men/women under similar circumstances and like positions.

Section 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.

Section 7.10 Circulation of Newsletter. For the purpose of disseminating information about the Cooperative and to productive means of exploiting electric energy, the Board of Directors shall be authorized to periodically circulate a newsletter to the members. The annual subscription therefor in the amount of Fifty Cents (\$.50) or more shall be deducted from any funds accruing in favor of such members so as to reduce such funds in the same manner as with other expense of the Cooperative.

ARTICLE VIII.

Indemnification and Insurance.

Section 8.01 Indemnification. The Cooperative shall indemnify each person who is or was a director, officer, employee or agent of the Cooperative (including the heirs, executors, administrators or estate of such person) or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise to the full extent permitted under 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 had 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/she met the applicable standard of conduct set forth in sections 46-3-306 (b) or (c) of said Act or laws. Upon any such determination that such indemnification is proper, the Cooperative shall make indemnification payments of liability, cost payment or expense asserted against, or paid or incurred by him/her in his/her capacity as such a director, officer, employee or agent to the maximum extent permitted by said sections of said Act or laws. The indemnification obligation of the Cooperative set forth herein shall not be deemed exclusive of any other rights, in respect of indemnification or otherwise, to which any party may be entitled under any other Bylaw provision or resolution approved pursuant to section 46-3-306(e) of said Act or laws.

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

ARTICLE IX.

Property

Section 9.01 Disposition. The Cooperative may not sell any of its property other than:
 (a) property which, in the judgment of the Board of Directors, neither is nor will be necessary or useful in operating and maintaining the Cooperative's system and facilities; pro-

vided, 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 of the property of the Cooperative;

- (b) services of all kinds, including electric energy; and
- (c) personal property acquired for resale;

unless such sale is authorized by the affirmative vote of at least two-thirds (2/3) of the members voting thereon and that two-thirds (2/3) must be a majority of the entire membership and the notice of such proposed sale shall have been provided pursuant to the provisions of these Bylaws, and 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.

Section 9.02 Security Interest. The Board of Directors, without any authorization by 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 States of America or any agency or instrumentality thereof or any national financing institution organized on a cooperative plan for the purpose of financing its 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 encumbering of any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative whether acquired or to be acquired and wherever situated, all upon such terms and conditions as the Board of Directors of this Cooperative shall determine.

ARTICLE X

Seal

The seal of the Cooperative shall be in such form as the Board of Directors may from time to time determine. In the event it is inconvenient to affix such 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

These Bylaws may be amended at any meeting of the Board of Directors by the affirmative vote of not less than a majority of the directors present at a meeting at which a quorum is present, providing 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 any new Bylaw provisions directly relating to the election of the Board of Directors must be approved by the members pursuant to the provisions of these Bylaws.

Any member wishing to amend Bylaws of the Cooperative shall place the proposed Bylaw amendments in writing before the Board of Directors at least ninety (90) days prior to the meeting of the members at which the Bylaw amendment is to be acted upon. The Board of Directors may, within thirty (30) days of the receipt of the proposal, approve or disapprove any or all of the proposed amendments. Those proposed amendments approved by the Board of Directors for submission to the membership will be placed in the notice calling the meeting and on the agenda. Should the Board of Directors disapprove any of the proposed amendments, the member may submit those disapproved amendments to the meeting of the members by presenting to the Board of Directors a petition having at least 100 members' signatures at least forty-five (45) days prior to the meeting of the members at which the amendment would be voted upon. Upon receipt and verification of the petition, the Board of Directors will include the proposed amendment in the notice of meeting and on the agenda for action.

Any Bylaws provision may be altered, amended, repealed, or new provisions adopted by a two-thirds (2/3) majority vote of those members voting, subject to the notice requirements and other terms and provisions of these Bylaws.

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