
Bylaws for

**SAWNEE ELECTRIC
MEMBERSHIP
CORPORATION**

CUMMING, GEORGIA

**As Amended
November 1, 2020**

THE STORY OF SAWNEE EMC

In this fast-paced, modern world we live in today, it's difficult to imagine life without electricity...but in the 1930s, that's exactly the way it was for many rural Americans.

Even though the people living in rural areas wanted the comfort and convenience electricity would offer them, investor-owned companies refused to extend electric lines into the rural areas because it was not profitable. Political leaders thought it a great injustice that rural Americans were being denied the increased quality of life brought about by electricity. As a result, part of President Franklin D. Roosevelt's "New Deal" with America was the creation of the Rural Electrification Administration, now known as the Rural Utilities Service. President Roosevelt signed the Executive Order to establish the Rural Electrification Administration on May 11, 1935, providing low interest loans to groups of rural Americans and enabling them to form their own electric companies, called "cooperatives".

With the creation of the REA came the formation of electric cooperatives all across the nation. Community leaders secured REA loans, elected a Board of Directors to set rates, service fees and policies, opened business offices and built lines. Getting electricity was as simple as going into the local REA office, paying a membership fee and applying for electric service. That's all there was to it. Anyone who wanted electricity could get it...just by becoming a member of the cooperative. Cooperatives were formed only to provide members with electricity and not to make a profit.

Community leaders of Forsyth County, Georgia were among those who wanted to provide better lives for the people of the area and on July 16, 1938, Forsyth County Electric Membership Corporation was incorporated. With the 'flip of a switch' on June 22, 1939, about 750 homes had electricity! At that time, there were 163 miles of line that cost \$125,000 to build. The rate for energy usage in 1939 was \$1.25 per month for 14 kilowatts and \$2.00 for 25 kilowatts.

In August of 1950, the name of the Forsyth County Electric Membership Corporation was officially changed to Sawnee Electric Membership Corporation. The name "Sawnee" was chosen because of the location of the headquarters buildings, which sits at the foothills of Sawnee Mountain, a local landmark. The mountain was named for Chief Sawnee, a Cherokee Indian Chief.

With all the changes that have taken place, many things about your cooperative have stayed the same. Sawnee still has a nine (9) member Board elected by the members, it still remains a non-for-profit entity, and SEMC still has the same goal...to provide dependable, reliable electric energy at competitive prices.

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**REVISED BYLAW PROVISIONS FOR
SAWNEE ELECTRIC MEMBERSHIP CORPORATION**

Cumming, Georgia

ARTICLE I

MEMBERSHIP

SECTION 1.01. ELIGIBILITY. Any natural person, firm, association, electric membership corporation, foreign electric cooperative, corporation, domestic or foreign, business or other trust, partnership, Federal agency, state or political subdivision thereof, or any body politic authorized to enter into mutual, legally binding contracts for electric service (each hereinafter referred to as "person," "applicant," "him" or "his"), shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by him, to receive electric service from, Sawnee Electric Membership Corporation (hereinafter called the "Cooperative"). No person shall hold more than one membership in the Cooperative and no membership shall be transferable.

SECTION 1.02. APPLICATION FOR MEMBERSHIP; RENEWAL OF PRIOR APPLICATION. Application for membership - whereby the applicant agrees to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the other provisions of the Cooperative's Articles of Incorporation and Bylaws, and all rules, regulations, rate classifications and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted, repealed or amended (the obligations embraced by such agreement being hereinafter called "membership obligations") - shall be made in writing on such form as is provided therefor by the Cooperative. With respect to any particular classification of service for which the Board of Directors ("Board") shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03, together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction or executed supplemental contract that may be required by the Cooperative (hereinafter called "other payments, if any"), which fee and other payments, if any, shall be refunded in the event the application is denied. Any former member of the Cooperative may, by the sole act of paying a new membership fee and any outstanding account plus accrued interest thereon at a reasonable rate as from time to time established by the Board and in effect when such account first became overdue, compounded annually, together with other payments, if any, renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

SECTION 1.03. MEMBERSHIP FEE; OTHER PAYMENTS, IF ANY. The membership fee shall be as fixed from time to time by the Board. The membership fee, together with other payments, if any, shall entitle the member to one service connection. A service connection fee or deposit, in such amount as shall be prescribed by the Cooperative, together with other

payments, if any, shall be paid by the member for each additional service connection requested by him.

SECTION 1.04. JOINT MEMBERSHIP. By jointly executing a membership application, two or more persons may be accepted into joint membership, or, if one of them is already a member, may, upon specifically so requesting in writing, automatically convert such membership into a joint membership. The words "member," "applicant," "person," "his", "her" and "him," as used in these Bylaws, shall include two or more persons applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing -

- (a) the presence at a meeting of any or all shall constitute the presence of one member and a joint waiver of notice of the meeting;
- (b) the vote of any or all shall constitute, respectively, one joint vote; PROVIDED, that if more than one be present but in disagreement on a vote, each shall cast a fractional vote (such fractional votes being allocated pro rata to all who seek to vote such that all together shall constitute a single vote);
- (c) notice to, or waiver of notice signed by or otherwise effected by, any shall constitute, respectively, a notice to all or waiver of notice by all;
- (d) suspension or termination in any manner of any shall constitute, respectively, suspension or termination of the joint membership;
- (e) any, but not more than one concurrently, shall be eligible to serve as an officer or director of the Cooperative, but only if the candidate meets the qualifications required therefor.

SECTION 1.05. ACCEPTANCE INTO MEMBERSHIP. Upon complying with the requirements set forth in Section 1.02, any applicant shall automatically become a member on the date of his connection for electric service; PROVIDED, the Cooperative may reject or deny an application and refuse to furnish service, or to continue service it has already begun furnishing, if, prior to connection of service, it determines, or thereafter it discovers, that the applicant is not willing or able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be, or should have been, denied for other good cause, including but not limited to the fact that furnishing service to the applicant would be or is in violation of one or more of the Cooperative's service rules and regulations; PROVIDED, any person so denied and/or refused shall have the right to be heard on the matter by the Board upon timely filing a written request therefor.

SECTION 1.06. EXCEPTIONS TO MEMBERSHIP PROCEDURE AND REQUIREMENTS. Upon payment of the membership fee and/or other payments, if any, due the Cooperative, as outlined in Section 1.02 and 1.03, and notwithstanding the requirements of Section 1.02, an eligible person is automatically a member of the Cooperative from the time of initial use of electric service provided by the Cooperative and is bound by the Cooperative's bylaws, service rules and regulations and rate schedules as they may be adopted or amended, unless the person notifies the Cooperative, in writing, within ten (10) days of the Cooperative providing such electric service that such person does not consent to being a member.

SECTION 1.07. PURCHASE OF ELECTRIC POWER AND ENERGY; POWER PRODUCTION BY MEMBER; APPLICATION OF PAYMENTS TO ALL ACCOUNTS. The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board may in writing waive such requirement, and shall pay therefor at the times, and in accordance with the rules, regulations, rate classifications and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable, including the payment for all service consumed at the full applicable rate and any amount determined to be due as a result of under billing, regardless of whether such under billing resulted from the member's conduct. Each member agrees to monitor his billing and notify the cooperative within sixty (60) days of receipt of an erroneous invoice. When the member has more than one service connection from the Cooperative, any payment for service to him by the Cooperative shall be deemed 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 allocation and proration.

SECTION 1.08. EXCESS PAYMENTS TO BE CREDITED AS MEMBER-FURNISHED CAPITAL. All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article IX of these Bylaws.

SECTION 1.09. WIRING OF PREMISES; RESPONSIBILITY THEREFOR; RESPONSIBILITY FOR METER TAMPERING OR BYPASSING AND FOR DAMAGE TO COOPERATIVE PROPERTIES; EXTENT OF COOPERATIVE RESPONSIBILITY; INDEMNIFICATION. Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the National Electric Code, of any applicable state code or local government ordinances, and of the Cooperative. If the foregoing specifications are variant, the more exacting standards shall apply. Each member shall be responsible for - and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of - such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall

permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely for meter reading and bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities at all reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall also provide such protective devices to his premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss, including the loss of revenue, or other damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from either: (i) a malfunctioning of its metering equipment, or (ii) any error occurring in the Cooperative's billing procedures that result in a credit to the member. In no event shall the responsibility of the Cooperative extend beyond the point of delivery.

SECTION 1.10. MEMBER TO GRANT EASEMENTS TO COOPERATIVE AND TO PARTICIPATE IN REQUIRED COOPERATIVE LOAD MANAGEMENT PROGRAMS. As a condition of receiving service, each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative, grants of easement or rights-of-way over, under and on such lands owned or leased by or mortgaged to the member, and on such reasonable terms and conditions, as the Cooperative shall require to furnish electric service to the member or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities. The member also grants to the Cooperative, the right to maintain its easements and rights-of-way in accordance with prudent utility practices, which includes without limitation, the clearing of "danger trees" that pose a risk of interference with the utility facilities or the Cooperative's use of its rights-of-way and easements. Each member agrees that the Cooperative's provision of electric service to the member is just and adequate compensation for granting of such easements or rights-of-way and the other rights set forth herein. Each member shall participate in any required program and comply with related rates and service rules and regulations that may be established by the Cooperative to enhance load management, more efficiently to utilize or conserve electric energy or to conduct load research.

ARTICLE II

MEMBERSHIP SUSPENSION AND TERMINATION

SECTION 2.01. SUSPENSION; REINSTATEMENT. Upon his failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay the amounts due the Cooperative or to cease any other non-compliance with his membership obligations, a person's membership shall automatically be suspended; and he shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other non-compliance with his membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its members.

SECTION 2.02. TERMINATION BY EXPULSION; RENEWED MEMBERSHIP; IMMEDIATE DISCONNECTION OF SERVICE AND EXPULSION. Upon the failure of a suspended member to be automatically reinstated to full membership as provided in Section 2.01, he may, without further notice but only after due hearing before the Board if such is in writing requested by him, be expelled by resolution of the Board. After the expulsion of a member, he may not again become a member except upon new application therefor as provided in Sections 1.02 and 1.05. The Board, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with his membership obligations. Notwithstanding any other provision of these Bylaws, the Cooperative may, forthwith and without prior notice, (a) disconnect a member's electric service upon its determination that such is required because of the existence of an imminent hazard, in which event the Cooperative shall so inform the affected member and shall reconnect such service as soon as practicable after the hazard has been removed or corrected; or (b) disconnect a member's service and expel him from membership upon its determination that the electric meter has been bypassed or tampered with or that electric service is being utilized in the commission of a felonious crime.

SECTION 2.03. TERMINATION BY WITHDRAWAL OR RESIGNATION. A member may withdraw from membership upon such generally applicable conditions as the Board shall prescribe and upon either (a) ceasing to (or, with the approval of the Board, resigning his membership in favor of a new applicant who also shall) own, lease as lessor or lessee, or directly occupy or use all premises being furnished electric service pursuant to his membership, or (b) except when the Board specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

SECTION 2.04. TERMINATION BY DEATH OR CESSATION OF EXISTENCE; CONTINUATION OF MEMBERSHIP IN REMAINING OR NEW PARTNERS. Except as provided in Section 2.06, the death of an individual human member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall

automatically terminate such membership; PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership had never been held by different partners; PROVIDED FURTHER, neither the withdrawing partner nor his estate shall be released from any debts then due the Cooperative.

SECTION 2.05. EFFECT OF TERMINATION. Upon the termination in any manner of a person's membership, he or his estate, as the case may be, shall be entitled to refund of his membership fee, if paid before August 1, 2001, and to his service security deposit(s), if any, less any amounts due the Cooperative, but neither he nor his estate, nor any former partner of a partnership member or his estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member, as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board shall expressly so elect, constitute such release of such person from his membership obligations as to entitle him to purchase from any other person any central station electric power and energy for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

SECTION 2.06. EFFECT OF DEATH, DISSOLUTION, OR REQUESTED REMOVAL UPON A JOINT MEMBERSHIP. Upon the death of an individual, or the dissolution of a legal entity, who is a party to a joint membership, such membership shall continue to be held solely by the remaining person(s) in the joint membership. However, the estate of the deceased individual, the remaining joint members and any other person legally responsible for the obligation of any past or present joint membership shall not be released from any debts due the Cooperative by any such person or joint membership. Any person who is a party to a joint membership can be dismissed from the joint membership upon the request of all joint members. If a person who is a party to a joint membership requests his / her own, or another's dismissal from a joint membership, but all joint members are not in agreement with such request, the Board may, in its sole discretion, dismiss such person from the joint membership where the person to be dismissed no longer occupies the premises served through the joint membership.

SECTION 2.07. BOARD ACKNOWLEDGMENT OF MEMBERSHIP TERMINATION; ACCEPTANCE OF MEMBERS RETROACTIVELY. Upon the termination of a person's membership for any reason, the Board, so soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing electric service to such person. Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person applies for, and the Board 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.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 3.01. ANNUAL MEETING. For the purposes of hearing and passing upon reports covering the previous fiscal year, and of transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held on the first Saturday of the month of October of each year, at such place in one of the counties in Georgia in which the Cooperative operates, and beginning at such hour, as the Board shall from year to year fix; PROVIDED, for cause sufficient to it, the Board may fix a different date for such annual meeting, or it may determine an alternative means of conducting the business of the annual meeting. It shall be the responsibility of the Board to make adequate plans and preparations for, and to encourage member participation in, the business to be conducted. Failure to hold the annual meeting, or to otherwise conduct the business of the annual meeting, shall not work a forfeiture or dissolution of the Cooperative.

SECTION 3.02. SPECIAL MEETINGS. A special meeting of the members may be called by the Board, by any four (4) directors, or by petition signed by not less than ten (10%) percent of the then-total members of the Cooperative, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties in Georgia in which the Cooperative operates, on such date, not sooner than forty (40) days after the call for such meeting is made or a petition therefor is filed, and beginning at such hour as shall have been designated by him or those calling or petitioning for the same.

SECTION 3.03. NOTICE OF MEMBER MEETINGS. Written or printed notice of the place, day and hour of the meeting and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting shall, except as provided in Article XI and in Georgia Code Sections 46-3-382, 46-3-401 and 46-3-420, be delivered to each member not less than five (5) days nor more than ninety (90) days before the date of the meeting, by any reasonable means, by or at the direction of the Chairman, the Secretary, or other officer or persons calling the meeting. Reasonable means of providing such notice shall include but not be limited to United States mail, personal delivery, the Cooperative's monthly newsletter, or member service billings. No matter the carrying of which, as provided by law or these Bylaws, requires the affirmative votes of at least two-thirds (2/3rds) of the members voting thereon shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the Cooperative's records, with postage thereon prepaid and, whether mailed first-class or not, postmarked at least five (5) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive such notice shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of

objecting to the transaction of any business, or one of more items of business, on the ground that the meeting shall not have been lawfully called or convened or on some other lawful ground. Any member attending any meeting for the purpose of making such objection shall in writing stating the objection so notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 3.04. QUORUM. Business may not be transacted at any meeting of the members unless, at the organization of the meeting, there are present in person at least five (5%) percent of the then-total members of the Cooperative or 150 members, whichever is less, except that, if a quorum is never established, a majority of those present in person may adjourn the meeting to another time and date not less than forty (40) days later and to any place within one of the counties in Georgia in which the Cooperative operates; PROVIDED, the Secretary shall notify all members of the new time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting meetings, or incorporate therein by reference, a list of those members who were registered as present. When a quorum is once present to organize a meeting, the members who remain present may continue to do business at the meeting, or at any adjournment thereof, notwithstanding the withdrawal of enough members to leave less than a quorum.

SECTION 3.05. VOTING. Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to one vote and no more upon each matter submitted to a vote at any meeting of the members, including Directorate District meetings as hereinafter provided for. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to, or upon registration at, each Directorate District, annual or special member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, including Directorate District meetings, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws. Members may not cumulate their votes or vote by proxy or by mail.

SECTION 3.06. ANNUAL MEETING CREDENTIALS AND ELECTION COMMITTEE. The Board shall, at least ten (10) days before any meeting of the members (not including Directorate District Meetings), appoint an annual meeting Credentials and Election Committee consisting of nine (9) Cooperative members who are not members of a nominating committee or existing Cooperative employees, agents, officers, directors or candidates for director, and who are not close relatives (as hereinafter defined) or members of the same household of such a person. The Board shall appoint one member from each of the Cooperative's nine (9) Directorate Districts to serve on the Committee. The Committee shall elect its own Chairman and Secretary, the latter of whom may be a member of the Cooperative's staff, prior to the annual meeting. With respect to the annual meeting, it shall be the responsibility of this Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to rule upon all questions that may arise with respect to the registration of members in person, to count all ballots or other votes cast on any matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise

relating to member voting, and to rule upon any protest or objection filed with respect to any voting or to conduct affecting the results of any voting. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any vote, such protest or objection must be filed during, or within three (3) business days following the adjournment of, the annual meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its Chairman, not less than ten (10) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence, and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the vote, to change the outcome thereof, or to set it aside. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. Without limiting the foregoing duties and prerogatives of the Committee, on request of the person presiding at the annual meeting or on the request of any member entitled to vote thereat, such Committee shall make a report in writing of any challenge, question, count, or matter determined by the Committee and execute a certificate of any fact found by them. Any such report or certificate made by them shall be prima-facie evidence of the facts stated and of the vote as certified by them.

SECTION 3.07. ORDER OF BUSINESS. The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members, including Directorate District meetings, shall be essentially as follows:

- (1) Report on the number of members present in person (and, where appropriate, the number of members represented through participation in the early voting period (as specified in Article IV)) in order to determine the existence of a quorum;
- (2) Reading of the notice of the meeting and proof of the due giving thereof, or of 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 thereon;
- (4) Presentation and consideration of reports of officers, directors and committees;
- (5) Election of directors (at Directorate District meetings only);
- (6) Unfinished business;
- (7) New business; and
- (8) Adjournment.

Notwithstanding the foregoing, the Board may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business; PROVIDED, no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

ARTICLE IV

DIRECTORS

SECTION 4.01. NUMBER AND GENERAL POWERS. The business and affairs of the Cooperative shall be managed by a Board of nine (9) directors, which shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the members. The Board shall not appoint or elect any committee to exercise the authority of the Board. However, the Board may appoint or elect from its own membership one or more committees, each consisting of at least two directors, for the purpose of serving in an advisory or recommendatory capacity to the Board.

SECTION 4.02. QUALIFICATIONS. No person shall be eligible to become or remain a director of the Cooperative who:

- (a) while serving on the Board or during the five (5) years preceding his nomination thereto shall have been finally adjudged to be guilty of a felony; or
- (b) becomes, or at any time during the five (5) years preceding his nomination shall have been, employed by the Cooperative, employed by (or be a close relative of a person who becomes, or at any time within such preceding five (5) years shall have been, employed by) a labor union which represents, or has represented, or has endeavored to represent any employees of the Cooperative; or
- (c) is, and if elected and seated as a director will continue to be, an employee, a close relative of an incumbent director or of an employee of the Cooperative;
- (d) has not continuously been, for at least one (1) year prior to his nomination, or who ceases after his election to be, a member in good standing of the Cooperative, receiving service therefrom at his primary residential abode in the Directorate District from which he is elected, (except as provided in the first proviso in this Section, in which instance the entity which qualifies a person's eligibility to be elected a director must be and remain a member in good standing); PROVIDED, notwithstanding that he may not receive service from the Cooperative at his primary residential abode, a natural person who is the chief operating executive of any member which is not a natural person, such as a corporation, church or other non-natural person entity, or his designee, shall be so eligible from the Directorate District in which such entity is located if he or such designee (A) is in substantially permanent occupancy, direction or use of such entity's premises and (B) is a permanent and year-round resident within the outer boundaries of, or in close proximity to, an area served by the Cooperative; PROVIDED, no more than two (2) such persons may serve on the Board at the same time.

No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is not at least eighteen (18) years old or is in any way employed by or financially interested in a substantially competing enterprise or a business selling electric energy or supplies to the Cooperative.

Notwithstanding the restrictive provisions of this Section that are based upon close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected a director if, during his incumbency, he becomes a close relative of another incumbent director or of a Cooperative employee because of a marriage or an adoption to which he was not a party.

Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Board to disqualify him. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board to withhold such position from such person or to cause him to be removed therefrom, as the case may be. Also, the office of a director shall automatically become vacant if he misses three (3) regular meetings of the Board during any twelve (12) consecutive regular meetings, unless two-thirds (2/3) of the remaining directors resolve that the three (3) absences should be disregarded based upon a finding that (1) there was good cause for each such absence, and (2) such cause or causes will not likely result in an unreasonable number of absences during the next ensuing twelve (12) consecutive regular Board meetings.

Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board unless such action is taken with respect to a matter in which one or more of the directors have a personal interest in conflict with that of the Cooperative.

The territories served by the Cooperative are divided in these Bylaws into Directorate Districts for the purpose of assuring insofar as is deemed practicable, the equitable and geographical representation of members on the Board. These Districts are for the purpose of convenience to, and widespread participation in the voting by, all members within each District. In addition to the qualifications above set forth, no member shall be eligible for the office of director unless he resides in, or unless he is the chief executive (or is the designee of the operating or chief executive) of a non-human member which is located in, the District which he proposes to represent. In the event a director moves from his District or otherwise loses the qualifications necessary for his eligibility to remain a director, as provided in the foregoing provisions of this Section, his office shall be automatically vacant and subject to being filled as provided for in these bylaws.

SECTION 4.03. DIRECTORATE DISTRICTS. The territory served by the Cooperative shall be divided into nine (9) Directorate Districts. Each District shall be represented by one director. The Districts shall be apportioned through the use of the grid system employed by the Cooperative on its Key Maps. The grid system is represented by Map References numbered 1 through 99. The Map references are further subdivided by blocks. The Directorate Districts are as follows:

DISTRICT NO. 1, Birmingham, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 25, 36, 37, 46, 47, 48, 49, 58, 59, 60, 61, 70, 71, 72, and 73.

DISTRICT NO. 2, Chestatee, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 32, 33, 34, 43, 44, 45, 55, 56, 57, 66-19, 66-20, 66-24, 66-25, 67, 68, 69, 78-4, 78-5, 78-9, 78-10, 78-13, 78-14, 78-15, 78-18, 78-19, 78-20, 78-22, 78-23, 78-24, 78-25, 79, 86-2, 86-3, 86-4, 86-5, 86-6, 86-7, 86-8, 86-9, 86-10, 86-11, 86-12, 86-13, 86-14, 86-15, 86-16, 86-17, 86-18, 86-19, 86-20, 86-21, 86-22, 86-23, 86-24, 86-25, and 87.

DISTRICT NO. 3, Cumming, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 31-3, 31-4, 31-5, 31-8, 31-9, 31-10, 31-13, 31-14, 31-15, 31-20, 31-23, 31-24, 31-25, 42, 53-5, 53-10, 53-15, 53-21, 53-22, 53-23, 53-24, 53-25, 54, 65, 66-1, 66-2, 66-3, 66-4, 66-5, 66-6, 66-7, 66-8, 66-9, 66-10, 66-11, 66-12, 66-13, 66-14, 66-15, 66-16, 66-17, 66-18, 66-21, 66-22, 66-23, 77, 78-1, 78-2, 78-3, 78-6, 78-7, 78-8, 78-11, 78-12, 78-16, 78-17 and 78-21.

DISTRICT NO. 4, Dougherty, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 1, 2, 3, 4, 5, 6, 7, 8, 9, 12-1, 12-2, 12-3, 12-4, 12-5, 12-6, 12-7, 12-8, 12-9, 12-10, 13, 14, 15, 22, 23, and 24.

DISTRICT NO. 5, Ducktown, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 40, 50, 51, 52, 62, 63, 74, 75-1, 75-2, 75-3, 75-6, 75-7, 75-8, 75-11, 75-12, 75-13, 82-1, 82-2, 82-3, 82-4, 82-6, 82-7, 82-8, and 82-9.

DISTRICT NO. 6, Matt, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 10, 11, 12-11, 12-12, 12-13, 12-14, 12-15, 12-16, 12-17, 12-18, 12-19, 12-20, 12-21, 12-22, 12-23, 12-24, 12-25, 16, 17, 18, 19, 20, 21, 26, 27, 28, 29, 30, 31-1, 31-2, 31-6, 31-7, 31-11, 31-12, 31-16, 31-17, 31-18, 31-19, 31-21, 31-22, 38, 39, 41, 53-1, 53-2, 53-3, 53-4, 53-6, 53-7, 53-8, 53-9, 53-11, 53-12, 53-13, 53-14, 53-16, 53-17, 53-18, 53-19, and 53-20.

DISTRICT NO. 7, Italy, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 64, 75-4, 75-5, 75-9, 75-10, 75-14, 75-15, 75-18, 75-19, 75-20, 75-23, 75-24, 75-25, 76, 83-3, 83-4, 83-5, 83-8, 83-9, 83-10, 83-13, 83-14, 83-15, 83-17, 83-18, 83-19, 83-20, 83-22, 83-23, 83-24, 83-25, 84, 85-1, 85-2, 85-3, 85-4, 85-5, 85-6, 85-7, 85-8, 85-9, 85-10, 85-11, 85-12, 85-13, 85-14, 85-15, 85-16, 85-17, 85-19, 85-20, and 86-1.

DISTRICT NO. 8, Ocee, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 85-18, 85-21, 85-22, 85-23, 85-24, 85-25, 90, 91-1, 91-2, 91-3, 91-4, 91-5, 91-6, 91-7, 91-8, 91-9, 91-10, 91-11, 91-12, 91-13, 91-14, 91-15, 91-16, 91-17, 91-18, 91-19, 91-20, 91-21, 91-22, 91-23, 91-24, 91-25, 94-16, 94-17, 94-18, 94-21, 94-22, 94-23, 94-24, 94-25, 95, 96, 97, 98, and 99.

DISTRICT NO. 9, Webb, shall consist of all of that portion of the Cooperative's service area included in the Map References and Blocks defined as follows: 75-16, 75-17, 75-21, 75-22, 82-5, 82-10, 82-11, 82-12, 82-13, 82-14, 82-15, 82-16, 82-17, 82-18, 82-19, 82-20, 82-21, 82-22, 82-23, 82-24, 82-25, 83-1, 83-2, 83-6, 83-7, 83-11,

83-12, 83-16, 83-21, 88, 89, 94-1, 94-2, 94-3, 94-4, 94-5, 94-6, 94-7, 94-8, 94-9, 94-10, 94-11, 94-12, 94-13, 94-14, 94-15, 94-19, 94-68, 94-69, 94-78, and 94-79.

All of the above-described Districts are precisely outlined according to a map described as Sawnee Electric Membership Corporation, Directorate District Boundary Identification, located at Sawnee Electric Membership Corporation headquarters in Cumming, Georgia. Said maps and boundaries are incorporated herein by reference and are available for inspection by members during regular office hours. Maps, membership records, and related data defining the nine (9) Directorate Districts shall at all times be kept on file at the Cooperative's headquarters in Cumming, Forsyth County, Georgia.

Notwithstanding the foregoing Directorate District descriptions and number of Districts and directors presently provided for in this section and in other sections of this Article IV, every year the Board, prior to the first date on which a District meeting may be scheduled pursuant to these Bylaws to be held, shall review said District and Directorates. If the Board determines that the boundaries or number of Districts should be altered as to either size or location or that the number of directors should be increased or reduced so as to correct any substantially inequitable factors regarding the residencies of members, the number or the geographic location of Districts or the number of District directors, the Board shall amend these Bylaws accordingly and may, after such amendments become effective, appoint any additional directors provided for by such amendments, and may fix their respective initial terms, not to exceed three years. In the event the Board alters either the size, boundaries, or number of districts so as to substantially increase or decrease the number of members in any of said districts, the Board shall also have the authority to alter the quorum requirements specified in Section 4.08, Quorum For Directorate District Meetings, of these bylaws to correct any inequities created by said reapportionment. The Board shall cause all such amendments and the names, addresses and initial terms of any such newly appointed additional directors to be noticed in writing precisely to the members not less than ten (10) days prior to the date on which the Committee on Nominations for such meeting shall first convene, and shall also, in timely advance of such Committee meeting, inform the members of the names, addresses and telephone numbers of the Nominating Committee and of the date, hour and place of that Committee's first meeting.

From and after the date of the notice of amendments, these Bylaws shall have been effectively amended accordingly, except that such Districts and/or the number of District directors may also be changed by amendment of these Bylaws by the members from time to time; PROVIDED, any change so made by action of the Board shall be in full force and effect until at least the completion of the election of directors at the Directorate District meetings of the members first held thereafter; AND PROVIDED FURTHER, no such amendment by the Board or by the members shall become effective so as to compel the vacancy of any director's office prior to the time such director's term would normally expire, unless he consents thereto in writing.

SECTION 4.04. DIRECTORATE DISTRICT MEETINGS. Each year three Directorate District meetings shall be held for the purpose of electing directors, the dates of such meetings to be as follows:

- GROUP ONE** - Beginning with year 1985;
- District 1 - Birmingham, the first Tuesday in September;
- District 4 - Dougherty, Wednesday following the first Tuesday in September; and
- District 6 - Matt, Thursday following the first Tuesday in September.

- GROUP TWO** - Beginning with year 1986;
- District 2 - Chestatee, the first Tuesday in September;
- District 7 - Italy, Wednesday following the first Tuesday in September; and
- District 9 - Webb, Thursday following the first Tuesday in September.

- GROUP THREE-** Beginning with year 1987;
- District 3 - Cumming, the first Tuesday in September;
- District 5 - Ducktown, Wednesday following the first Tuesday in September; and
- District 8 - Ocee, Thursday following the first Tuesday in September.

Every third year thereafter, each Group of Districts as above provided for shall have their respective meetings on the dates above specified and at such places and times, in or within the vicinity of each such District, as the Board determines to be most convenient for the holding of such meetings.

Notwithstanding the foregoing, the Board, for cause sufficient to it, may fix a different date for the holding of any District meeting on a day ten (10) or fewer days prior or subsequent to the date above provided for each District. Additionally, if the day fixed for any such meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. Should the meeting not be held on the day specified or as provided for in this Section, or if the election of a director shall not be held as specified herein or at an adjournment of such meeting, the Board may cause the election of the director to be held at a special Directorate District meeting as soon thereafter as conveniently may be. Failure to hold any such meetings at a designated time shall not work a forfeiture of dissolution of the Cooperative.

Directors shall be elected by secret written ballot or secret electronic voting by the members of that Directorate District. Whenever there are two or more candidates for the same Directorate District, the one receiving the majority of votes (50% plus 1) shall win. Should no candidate receive a majority of the votes, the representative of the Directorate District shall be chosen by additional secret ballots between the two candidates receiving the highest number of votes in the prior balloting. The runoff election shall be conducted under the supervision and at the direction of the Directorate District Credentials and Election Committee at a specially called Directorate

District meeting and its associated early voting period, in general conformity with Section 4.04 of these Bylaws. Such runoff election shall occur no sooner than thirty (30), and no later than sixty (60), days after the date of the earlier Directorate District meeting in which no candidate received a majority of the votes cast.

Votes shall be cast in all director elections in person and may be cast either: (1) while present at a Directorate District meeting, or (2) during the early voting period for contested elections. As used herein, the early voting period shall be a period of up to eight (8) days immediately prior to a Directorate District meeting during which members shall be allowed to vote at such location(s) and time(s), and pursuant to such rules and procedures, as shall be determined by the Credentials and Elections Committee. Members who cast a vote during the early voting period, regardless of whether such member is present at any portion of that Directorate District meeting, shall be included in the number of members represented for the purpose of determining whether a quorum is achieved to conduct the election of directors.

SECTION 4.05. TENURE. Directors shall be so nominated and elected that one director from or with respect to each of Directorate Districts Nos. 3, 5 and 8 shall be elected for three-year terms at annual Directorate District meetings; a director from each of Directorate Districts Nos. 1, 4 and 6 shall be elected for three-year terms at annual Directorate District meetings the next succeeding year; and a director from each of Directorate Districts Nos. 2, 7 and 9 shall be elected for three-year terms at annual Directorate District meetings in the next succeeding year, and so forth. Upon their election, directors shall, subject to the provisions of these Bylaws with respect to the removal of directors and the election of any directors so removed by a member meeting at which all members may vote, serve until the Directorate District meeting for their District of the year in which their terms expire or until their successors shall have been elected and shall have qualified. If for any reason an election of directors shall not be held at a Directorate District meeting duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special meeting or at the next Directorate District meeting. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over only until the next Directorate District meeting at which a quorum is present.

SECTION 4.06. SPECIAL DIRECTORATE DISTRICT MEETINGS.

A special meeting of the members for any Directorate District may be called by resolution of the Board or upon written request signed by not less than the higher number of members from said District which is required for a quorum, as set forth in Section 4.08; and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 4.07. Such a meeting shall be held at such place, within or in the vicinity of such District, on such date, and beginning at such hour as shall have been designated by those calling the same.

SECTION 4.07. NOTICE OF DIRECTORATE DISTRICT MEMBER MEETINGS.

Written or printed notice of the purpose or purposes, place, day and hour of any regular or special Directorate District meeting shall be delivered to each member of such District not less than five (5) days nor more than ninety (90) days prior to the date of the meeting (or the opening of the early voting period, if there is a contested election), by any reasonable means, by or at the direction of the Secretary or, if he defaults in this duty,

the Board or any other officer thereof. Reasonable means of providing such notice shall include but not be limited to United States mail, personal delivery, the Cooperative's monthly newsletter, or member service billings. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the Cooperative's records, with postage thereon prepaid and, whether mailed first-class or not, postmarked at least five (5) days prior to the meeting date (or the early voting period). In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive such notice shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any such meeting shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened or on some other lawful ground. Any member attending any meeting for the purpose of making such objection shall in writing stating the objection so notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 4.08. QUORUM FOR DIRECTORATE DISTRICT MEETINGS. Except as is provided in Section 4.04 (providing that members casting votes during the early voting period shall count towards a quorum for conducting the election of directors), other business may not be transacted at any Directorate District meeting unless there are present in person at the organization of the meeting the lesser of ten percent (10%) or 45 members of such district. If a quorum is never established, a majority of those present in person may adjourn the meeting to another time and date not less than ten (10) days later and to any place within or in the vicinity of the District; PROVIDED, the Secretary shall notify all members of such District of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 4.07. At all regular or special Directorate District meetings, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present. When a quorum is once present to organize a meeting, the members who remain present may continue to do business at the meeting, or at any adjournment thereof, notwithstanding the withdrawal of enough members to leave less than a quorum.

SECTION 4.09. NOMINATIONS. It shall be the duty of the Board Directors to appoint, not less than sixty (60) nor more than ninety (90) days prior to the date of each Directorate District meeting of the members at which directors are to be elected, a Committee on Nominations, consisting of three (3) members from such Directorate District who are not existing employees, agents, officers, directors or known candidates for directors, and who are not close relatives (as hereinafter defined) or members of the same household of such a person. The Committee shall prepare and post at the principal office of the Cooperative at least thirty (30) days prior to the District meeting a list of nomination(s) for directors to be elected from or with respect to that District. The Committee may include more nominees than there are to be elected. Any one percent (1%) or more of the total number of members from the Directorate District, as of the most recent January 1st, acting together, may make additional nominations in writing over their signatures, not less than thirty-five (35) days prior to the Directorate District meeting. The Secretary shall post such nominations at the same place

where the list of nominations made by the Committee is posted. The Secretary shall mail to the members of each District with the notice of the meeting, or separately, but at least five (5) days prior to the date of the meeting or the opening of the early voting period for contested elections, a statement of the names and addresses of all nominees, showing separately those nominated by the Committee and those nominated by petition, if any. After all nominations so made have been duly announced, nominations shall be closed and no nominations shall be made from the floor; PROVIDED, one or more nominations may be made from the floor if any nominee made by the Committee shall have declined such nomination, or be determined to be ineligible and disqualified for such nomination, or has died or otherwise become incapable of serving. Notwithstanding any other provision of these Bylaws, if the Nominating Committee nominates only one person for director from a Directorate District and if there are no additional nominations for director by petition, the meeting for such District otherwise in the bylaws provided for shall not be held (unless the Board of Directors decides to hold such meeting for some purpose other than the election of a director) and the Committee's nominee shall be deemed to be elected by the members from that District.

SECTION 4.10. DIRECTORATE DISTRICT CREDENTIALS AND ELECTION COMMITTEES. The Board shall, at least ten (10) days before any District meeting, appoint a Directorate District Credentials and Election Committee consisting of three (3) Cooperative members who are not members of a nominating committee or existing Cooperative employees, agents, officers, directors or candidates for director, and who are not close relatives (as hereinafter defined) or members of the same household of such a person. The Committee shall elect its own Chairman and Secretary, the latter of whom may be a member of the Cooperative's staff.

With respect to the Directorate District Meeting, it shall be the responsibility of this Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to rule upon all questions that may arise with respect to the registration of members in person, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of directors (including but not limited to the validity of petitions of nomination or the qualifications of candidates and the regularity of the nomination and election of directors), and to rule upon any protest or objection filed with respect to any election or to conduct affecting the results of any election.

The Board shall furnish at all District meetings sufficient persons, including election tellers, and sufficient ballots, tally sheets, ballot boxes and all other records, etc. necessary for the conduct of the election, such persons to act under the guidance and direction of the Directorate District Credentials and Election Committee. Upon completion of the count of the ballots, the election tellers shall certify the result to the Chairman of the Directorate District Credentials and Election Committee, who shall advise the District meeting chairman, and such chairman shall announce, before the adjournment of said District meeting, the results of the balloting. The District meeting chairman shall thereupon place one copy of said certification with the ballots, which shall be sealed by the Committee and delivered to the Cooperative's Secretary, who shall cause the same to be placed in the vaults of the Cooperative for safekeeping for a period of sixty

(60) days, after which time they may be destroyed. An additional copy of said certification shall be by the Secretary transmitted to the Board to become a part of the records of the Cooperative.

In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of, the District meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its Chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. Without limiting the foregoing duties and prerogatives of the Committee, on request of the person presiding at the District meeting or on the request of any member entitled to vote thereat, such Committee shall make a report in writing of any challenge, question, count, or matter determined by the Committee and execute a certificate of any fact found by them. Any such report or certificate made by them shall be prima-facie evidence of the facts stated and of the vote as certified by them. Any Committee member who is a close relative (as defined in these bylaws) to any candidate for director shall refrain from participating in any deliberation or vote of the Committee concerning such candidate.

SECTION 4.11. REMOVAL OF DIRECTORS BY MEMBERS. Any member of a Directorate District may bring one or more charge(s), but only for cause, against any one or more director of such District and may request the removal of such director(s) by reason thereof; PROVIDED, a charge shall not be "for cause," nor may a director be removable under this Section 4.11, on the grounds that a director has in a lawful manner opposed or resisted an effort (1) to cause the sale, lease, lease-sale, exchange, transfer, conveyance or other disposition of all or substantially all of the Cooperative's property and assets or (2) to cause the Cooperative to dissolve. Such member(s) must file with the Secretary such charge(s) in writing, together with a petition signed by not less than ten (10%) percent of such Directorate District members, which petition calls for a special Directorate District member meeting thereon and specifies the place, time and date thereof not less than forty (40) days after the filing of such petition, or which requests that the matter be acted upon at the subsequent regular Directorate District member meeting if such meeting will be held no sooner than forty (40) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s) and a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is(are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the director(s) against whom the charge(s) have been made, and of the member(s) filing the charge(s) shall be contained in the notice of

the meeting, or separately noticed to the members, not less than five (5) nor more than ninety (90) days prior to the Directorate District member meeting at which the matter will be acted upon. Such director shall be informed in writing of the charges after they have been validly filed and at least twenty (20) days prior to the meeting, shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or by any combination of such, and to present evidence in respect of the charges, and shall be heard last; and the member(s) bringing the charges against him shall have the same opportunity, and shall be heard first. The question of the removal of such director(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting. Removal of a director shall require the affirmative votes of at least two-thirds (2/3rds) of the members voting. Any vacancy created by such removal shall be filled by vote of the Directorate District members at such meeting without compliance with the foregoing provisions of these bylaws with respect to nominations, except that nominations shall be made from the floor. A newly elected director shall be from or with respect to the same Directorate District as was the director whose office he succeeds and shall serve out the unexpired portion of the removed director's term.

SECTION 4.12. VACANCIES. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board shall be filled by the Board. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until his successor is elected and qualified; PROVIDED, such a director shall be from or with respect to the same Directorate District as was the director whose office was vacated.

SECTION 4.13. COMPENSATION; EXPENSES. For their services as such, directors shall, on a per diem basis, receive such compensation, which may include insurance benefits, as is fixed by resolution of the Board. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred in performing their duties. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the members or such payment and amount shall be specifically authorized by the Board upon their certification of such as an emergency measure; PROVIDED, a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the Board.

SECTION 4.14. RULES, REGULATIONS, RATE SCHEDULES AND CONTRACTS. The Board shall have 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 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 4.15. ACCOUNTING SYSTEM AND REPORTS. The Board shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial condition as of the end of, such year. A summary of such audit reports shall be submitted to the members at or prior to the following annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 4.16. SUBSCRIPTION TO COOPERATIVE'S NEWSLETTER, "THE SAWNEE HIGHLINER"; SUBSCRIPTION TO "GEORGIA MAGAZINE". For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board shall be empowered, on behalf of and for circulation to the members periodically, to subscribe to the Cooperative's newsletter, "The Sawnee Highliner", the annual subscription price for which shall not be less than 25 cents nor more than \$3.60, and which shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative. The Board shall also be empowered, on behalf of and for circulation to the members periodically, to subscribe to "Georgia Magazine", the annual subscription price for which shall not be less than 25 cents nor more than \$3.60, and which shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

SECTION 4.17. "CLOSE RELATIVE" DEFINED. As that term is used in these Bylaws, "close relative" means a person who, by blood or in law, including step, half, foster and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

ARTICLE V

MEETINGS OF DIRECTORS

SECTION 5.01. REGULAR MEETINGS. A regular meeting of the Board can be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual member meeting. A regular meeting of the Board shall also be held monthly at such date, time and place as the Board may provide by resolution. Except when business to be transacted thereat shall require special notice, such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof; PROVIDED, any director absent from any meeting of the Board at which such a resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER, if a policy therefor is established by the Board, the Chairman may change the date, time or place of a regular monthly meeting for good cause and upon at least five (5) days notice thereof to all directors.

SECTION 5.02. SPECIAL MEETINGS. Special meetings of the Board may be called by Board resolution, by the Chairman or by any four (4) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.04. The Board, the Chairman or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties in Georgia within which the Cooperative serves, unless all directors consent to its being held in some other place in Georgia or elsewhere. Special meetings may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent thereto.

SECTION 5.03. ATTENDANCE AT BOARD MEETINGS BY TELEPHONE OR OTHER TELECOMMUNICATIONS DEVICE. If no other director objects, a director may attend and participate in a Board meeting by being continuously connected thereto by telephone or other telecommunications device in such a manner that he may speak to and be heard by such meeting and all other directors there present may speak to and be heard by him, and he may hear all others at the meeting speaking to the meeting.

SECTION 5.04. NOTICE OF DIRECTORS MEETINGS. Written notice of the date, time, place (or telephone conference call) and purpose or purposes of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary or, upon his default in this duty, by him or those calling it in the case of a special meeting or by any other director in the case of any meeting whose date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his address as it appears on the Cooperative's records, with first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. The attendance of a director at any meeting of the board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened or on some other lawful ground.

SECTION 5.05. QUORUM. The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of at least a majority of the directors present and voting shall be required for any action to be taken; PROVIDED, a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present; AND PROVIDED FURTHER, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause any absent directors to be duly and timely notified of the date, time and place of such adjourned meeting.

ARTICLE VI

OFFICERS; MISCELLANEOUS

SECTION 6.01. NUMBER AND TITLE. The officers of the Cooperative shall be a Chairman, Vice-Chairman, Secretary, Treasurer and such other officers as may from time to time be determined by the Board. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.02. ELECTION AND TERM OF OFFICE. The officers named in Section 6.01 shall be elected annually and without prior nomination, by and from the Board at the meeting of the Board held in September. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the next succeeding September Board meeting or until his/her successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of directors by the members and to the removal of officers by the Board. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board may from time to time deem advisable. When necessary, tie votes for any of the officers named in Section 6.01 shall be resolved by drawing of lots.

SECTION 6.03. REMOVAL. Any officer, agent or employee elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served.

SECTION 6.04. VACANCIES. A vacancy in any office elected or appointed by the Board shall be filled by the Board for the unexpired portion of the term.

SECTION 6.05. CHAIRMAN. The Chairman shall -

- (a) be the principal executive officer of the Board and shall preside at all meetings of the Board, and, unless determined otherwise by the Board, at all meetings of the members;
- (b) sign, with the Secretary, certificates of membership the issuance and execution of which shall have been authorized by resolution of the Board, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general, perform all duties incident to the office of Chairman and such other duties as may be prescribed by the Board from time to time.

SECTION 6.06. VICE-CHAIRMAN. In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice-Chairman shall perform the duties of the Chairman, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman; and shall perform such other duties as from time to time may be assigned to him by the Board.

SECTION 6.07. SECRETARY. The Secretary shall -

- (a) keep, or cause to be kept, the minutes of meetings of the members and of the Board in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and 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 or is required by law;
- (d) keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member;
- (e) sign, with the Chairman, certificates of membership the issuance and execution of which shall have been authorized by resolution of the Board;
- (f) have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and of its Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any member; and
- (h) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board.

SECTION 6.08. TREASURER. The Treasurer shall -

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and
- (c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

SECTION 6.09. DELEGATION OF SECRETARY'S AND TREASURER'S RESPONSIBILITIES.

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.07 and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such officer's such duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 6.10. PRESIDENT; CHIEF EXECUTIVE OFFICER. The Board may appoint a President; Chief Executive Officer, who may be, but who shall not be required to be, a member of the Cooperative. Such officer shall perform such duties as the Board may from time to time require and shall have such authority as the Board may from time to time vest in him; and the Board shall set forth and maintain, and shall from time to time review and as appropriate revise, a written description of such duties and authorities.

SECTION 6.11. BONDS. The Board shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond 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 Cooperative to give bond in such amount and with such surety as it shall determine. The costs of all such bonds shall be borne by the Cooperative.

SECTION 6.12. COMPENSATION; INDEMNIFICATION. The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined as provided in Section 4.13 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefor approved by the Board. The Cooperative shall indemnify and hold harmless its past and present directors and officers, including the President and Chief Executive Officer--and may but shall not be obligated to so indemnify and hold harmless one or more of its past and present agents and other employees--against liability and related costs, including reasonable attorneys' fees, because of any act or omission in connection with their relationship to the Cooperative in such capacities, to the maximum extent allowable by law, including, and supplementary and subject to, but not limited to, Georgia Code Section 46-3-306; and may purchase insurance to cover such indemnification.

SECTION 6.13. REPORTS. The officers of the Cooperative shall submit at each annual meeting of the members 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.

ARTICLE VII

CONTRACTS, CHECKS AND DEPOSITS

SECTION 7.01. CONTRACTS. Except as otherwise provided by law or these Bylaws, the Board may authorize any Cooperative officer, agent or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 7.02. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness, issued in the name of the Cooperative, shall be signed or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

SECTION 7.03. DEPOSITS; INVESTMENTS. All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such other financial securities or institutions as the Board may select.

ARTICLE VIII

MEMBERSHIP CERTIFICATES

SECTION 8.01. CERTIFICATE OF MEMBERSHIP. Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as shall be determined by the Board not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the Chairman and by the Secretary, and the corporate seal shall be affixed thereto; PROVIDED, the seal and the signatures of the Chairman and the Secretary may be imprinted thereon by facsimile.

SECTION 8.02. ISSUE OF MEMBERSHIP CERTIFICATES. No membership certificate shall be issued for less than the membership fee fixed by these Bylaws nor until such membership fee and required additional payments, if any, have been fully paid.

SECTION 8.03. LOST CERTIFICATE. In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Cooperative as the Board may prescribe.

ARTICLE IX

NON-PROFIT OPERATION

SECTION 9.01. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 9.02. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY AND ANCILLARY GOODS AND SERVICES. In the furnishing of electric energy and ancillary goods and services, the Cooperative's operations 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 nonprofit 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 ancillary goods and services in excess of operating costs and expenses properly chargeable against the furnishing of electric energy and ancillary goods and services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. 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, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account; PROVIDED, individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. 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 for capital.

All other amounts received by the Cooperative 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 prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative 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; PROVIDED, insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period insofar as is practicable, as determined by the Board, before any payments are made on account of property rights of members. Notwithstanding any other provision of these Bylaws to the contrary, the Board of Directors, in its discretion, may allocate capital credits for individual members, or a class of members, based upon the rates and cost of service for that Member or class of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. The Board shall determine the method of allocation, and the method, basis, priority and order of retirement, if any, for all amounts furnished as patronage capital. The Board shall also have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portion or portions of capital credited to the Cooperative's patrons, (c) provide for appropriate notifications to patrons with respect to such portion or portions of capital credited to their accounts and (d) preclude a general retirement of such portion or portions of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy

in all or a part of such patron's premises served by the Cooperative, unless the Board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these Bylaws, the Board, at its sole discretion, shall have the power at any time upon the death of any patron, who was a natural person, (or, if as so provided for in the preceding paragraph, upon the death of an assignee of the capital credits of a patron, which assignee was a natural person), if the legal representatives of his estate shall request in writing that the capital credited to such patron be retired prior to the time such capital would otherwise be retired under these provisions of the Bylaws, to retire such capital immediately upon such terms and conditions as the Board, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon; PROVIDED, however, the financial condition of the Cooperative will not be thereby impaired.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at a reasonable rate as from time to time established by the Board and in effect when such amount became overdue, compounded annually.

Notwithstanding any other provisions of these Bylaws, the Board, at its sole discretion, shall have the power at any time upon the termination of any patron's membership with the Cooperative, to satisfy an indebtedness owed to the Cooperative by retiring capital credited to such patron's account prior to the time such capital would otherwise be retired under these provisions of the Bylaws. Such retirement of capital shall occur upon such terms and conditions as the Board shall establish; PROVIDED, however, the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

ARTICLE X

WAIVER OF NOTICE

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws or any notice that may otherwise be legally required, either before or after such notice is required to be given.

ARTICLE XI

DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

SECTION 11.01. DISPOSITION AND PLEDGING OF PROPERTY.

(a) The Cooperative's Board, without requirement of the members' vote or consent, is empowered to authorize any sale, lease, lease-sale, exchange, conveyance, transfer, or disposition of merchandise or property

no longer useful for the operation of the Cooperative or less than substantially all of the Cooperative's properties and assets and to authorize the execution and delivery of mortgages, deeds of trusts or any other security instruments covering all or any part of the Cooperative's property and assets, all as provided for in subsections (a) and (b) of Georgia Code Section 46-3-400.

(b) Other than as may be covered by Section 11.02, the sale, lease, lease-sale, exchange, conveyance, transfer or other disposition of all or substantially all of the Cooperative's properties and assets ("transaction") may be authorized and effectuated solely pursuant to the provisions of Georgia Code Section 46-3-401. Not in conflict with, or in lieu of, but rather as supplementary to such provisions, such a transaction may not be authorized except in conformity and compliance with the following:

- (1) If the Board looks with favor upon any proposal for any such transaction, it shall first appoint three persons each of whom is independent of the Cooperative and of the other two and is expert in electric utility property evaluations, and commission them, separately, to study, appraise and evaluate such assets and properties, including their going concern value and the values associated with the right of the members to participate in the ownership and control of the cooperative. Such appraisers shall be instructed to, and shall, take into account any other factors they may deem relevant in determining the present market value of such assets and properties. Within not more than sixty (60) days after their appointment and commission, each appraiser shall render his highest determination of such present value.

The Board shall not recommend and submit any proposal that within one (1) year theretofore or thereafter it shall have received for such a transaction--or, within one (1) year thereafter, make any offer of such a transaction--for a consideration that is less than the highest such determination rendered by the appraisers; nor shall it, following the expiration of one (1) year thereafter, make such a recommendation or offer without, again, first complying with the foregoing appraisal requirements.

- (2) If, after receiving such appraisals, the Board resolves to pursue the matter further, it shall, within sixty (60) days after adoption of such resolution, transmit the appraisals, together with any underlying data and information that may have accompanied them, to every other electric membership corporation corporately sited and operating in Georgia and invite it to submit competing or alternative proposals, including proposals to merge or consolidate with the Cooperative. Such appraisals shall also be accompanied by any proposal for such a transaction received by the Cooperative within one (1) year prior to the receipt of the last appraisal or received subsequent thereto but prior to the adoption of such resolution; PROVIDED, only the most recent proposal from an entity that has made two or more proposals need be so transmitted. Such other electric membership corporations shall be given at least sixty (60) days within which to submit competing or alternative

proposals, and they shall be notified in such transmittal of the actual final date for such submissions.

- (3) If, after such date, the Board so resolves, it shall recommend and submit to the members (A) a proposal for such a transaction or (B) a proposal to merge or consolidate the Cooperative with one or more other electric membership corporations. The Board may recommend and submit two or more such proposals in the alternative, in which case it shall specify its preference as to which shall be approved by the members--that is, first choice, second choice, etc.--and the order in which such alternatives will be considered and acted upon at the meeting. The Board shall accompany its recommended proposal(s) with verbatim copies of all competing or alternative proposals it has received, together with all of the appraisals and any underlying data and information that may have accompanied such appraisals. The Board shall submit such recommendation and information to the members and shall at the same time call and give notice of a special meeting of the members thereon or, if it so determines, notify the members that the matter will be considered and acted upon at the ensuing annual member meeting, in either case stating in detail each of any such proposals. The special or annual meeting shall be held not sooner than ninety (90) days after the giving of such notice thereof.
- (4) Any two hundred (200) or more members of the Cooperative may, over their respective signatures and within not less than forty-five (45) days prior to the date of such member meeting, petition the Cooperative to mail to all of the Cooperative's members any statement of opposition to the Board's recommendation and/or of their own recommendation that a competing or alternative proposal, which may be or include a proposition to merge or consolidate the Cooperative with one or more other electric membership corporations, be submitted to and acted upon by the members at such meeting, in which event the Board shall cause a printed copy of the petition, including the printing of the names of the member signatories thereof, together with a printed copy of the statement, to be transmitted to all of the Cooperative's members via the United States mail not less than twenty-five (25) days prior to such member meeting, with the cost of such printing and mailing to be borne by the Cooperative. When so mailed, such petition and statement shall constitute sufficient notice of any such competing or alternative proposal for the same to be considered and acted upon at such meeting. The meeting shall first consider and act upon the recommendation(s) of the Board. If two or more alternative such recommendations have been made by the Board, they shall be considered and acted upon in the order specified by the Board. If the members fail to approve any Board-recommended proposal, they shall then consider and act upon the competing, alternative proposal(s) which have, by

petition, been submitted by the members, in the order in which they were received, if two or more such proposals have been submitted, or in the order of priority specified in a petition. The members may take such action on such proposal(s) as may be legally availing to them.

(c) No offer of such a transaction, whether made to or by the Board, shall be valid or, if made and accepted, enforceable unless the total consideration to be paid or otherwise furnished therefor, to the extent that the same is in excess of the amounts necessary to discharge or to provide for the discharge of all of the Cooperative's debts, obligations and liabilities, shall be distributed to or, if such be the case, allocated and assigned to the patrons or former patrons of the Cooperative in the manner provided for in the Articles of Incorporation, Bylaws or applicable law.

(d) Neither subsection (a) or (b) of this Section 11.01 shall apply to a Board-recommended legal merger or consolidation of the Cooperative with one or more other electric membership corporations, or to a sale, exchange or transfer if such is in the nature of a forced sale for the reason that the purchaser possesses and otherwise would exercise a legal right to acquire, damage, relocate, remove or destroy such property and assets by condemnation or otherwise without the Cooperative's consent. Subsection (b) shall not apply to a Board-recommended transaction if the substantive, although not technically legal, effect thereof is to merge or consolidate the Cooperative with one or more other electric membership corporations.

SECTION 11.02. DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION. Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board and not inconsistently with the provisions of the third paragraph of Section 9.02 of these Bylaws, be distributed without priority but on a patronage basis among all persons who are or who have been members of the Cooperative for any period during its existence; PROVIDED, however, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE XII

FISCAL YEAR

The Cooperative's fiscal year shall begin on the first day of the month of January of each year and end on the last day of the month of December following.

ARTICLE XIII

RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board, of any committee provided for in these Bylaws and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise

determined by law or by the Cooperative's Articles of Incorporation or Bylaws. This Article shall be subordinate to any other provision of these Bylaws pertaining to the votes required for action by members, directors or committees.

ARTICLE XIV

SEAL

The Corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Georgia."

ARTICLE XV

AMENDMENTS

SECTION 15.01. POWER TO AMEND. Subject to the provisions of Georgia Code Section 46-3-325, these Bylaws may be changed (altered, amended or repealed) by the affirmative vote of not less than a majority of the total directors in office, or by a majority of the votes cast by the members represented, at any regular or special Board or member meeting, as the case may be; PROVIDED, the Board shall not be empowered to change any bylaw provision directly affecting the election of directors; PROVIDED FURTHER, subject to the foregoing proviso, either the Board or the members may change any bylaw if, as established by law, such bylaw is illegal or has become a legal nullity.

SECTION 15.02. PROCEDURE FOR AMENDING. A bylaw may be changed only if (1) a copy or an accurate summary explanation of the proposed change is contained in or with the notice of the member or Board meeting at which it is to be acted upon; and (2) if to be acted upon by the members, it is sponsored by the Board or at least fifty (50) members who over their signatures file with the Cooperative, at least forty-five (45) days prior to the date of the member meeting at which such change will be acted upon, a petition proposing such change and setting forth with particularity the wording thereof and the time that the change is to become effective; PROVIDED, if the Cooperative is presented with a written request by one or more but less than fifty (50) members that a bylaw change be noticed to and acted upon by the members, and if the request sets forth with particularity the wording of the proposed change and the time that it is to become effective, the Board may, but shall not be obligated to, waive the foregoing petition requirement and cause such proposed change to be noticed and acted upon; PROVIDED FURTHER, the Board shall not cause any proposed bylaw change to be noticed or acted upon, or permit any amendment to a proposed bylaw change to be acted upon, if it determines that such, if adopted, would be illegal or a legal nullity. A change so noticed may be amended from the floor of the member or Board meeting at which it is being considered if the amendment is germane thereto.