



**BYLAWS
OF
SAWNEE ELECTRIC MEMBERSHIP
FOUNDATION, INC.**

**AS AMENDED
MAY 26, 2015**

**BYLAWS
OF
SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.**

ARTICLE I

NAME OF ORGANIZATION

The name of the corporation shall be the Sawnee Electric Membership Foundation, Inc., herein below referred to as "FOUNDATION."

ARTICLE II

PURPOSE OF ORGANIZATION

The purpose of the FOUNDATION shall be the accumulation and disbursement of funds for charitable purposes generally in the area served by Sawnee Electric Membership Corporation ("Sawnee EMC").

The accumulation and disbursement of funds in support of the advancement of higher education through grants to the youth of Sawnee EMC's members through a classroom grant program and a youth scholarship program, both of which are considered to be part of the charitable purposes described herein.

Upon dissolution of the FOUNDATION, any remaining funds shall be distributed only for charitable purposes in accordance with applicable law.

As a nonprofit corporation organized pursuant to the provisions of the Georgia Nonprofit Corporation Code and Section 501c3 of the United States Internal Revenue Code of 1999, as amended, the FOUNDATION shall have no capital stock and no shareholders, and no part of the net earnings, income, or profit of the Foundation shall inure to the benefit of or be distributable to its directors, officers, members, or other private individuals except that the FOUNDATION may pay reasonable compensation for services rendered and may make payments and distributions in furtherance of its charitable purposes.

ARTICLE III

FUNDING

The FOUNDATION shall be funded in such manner as may be promulgated by the Board of Directors of Sawnee EMC and from any other source of funds available to the said FOUNDATION.

ARTICLE IV

BOARD OF DIRECTORS

The FOUNDATION shall be administered by a nine (9) person Board of Directors. Each Director shall have their primary residential abode in one of Sawnee EMC's Directorate Districts, as the boundaries are described in the bylaws of Sawnee EMC, as amended from time to time and the Board shall have one Director from each of Sawnee's Directorate Districts.

At the initial organizational meeting of the Board of Directors, the terms for the members of the Board shall be as follows after their initial three (3) year term:

Additional One-year term (Total 4 years)

Directorate Districts 3, 5 and 8

Additional Two-year term (Total 5 years)

Directorate Districts 1, 4 and 6

Additional Three-year term (Total 6 years)

Directorate Districts 2, 7 and 9

Thereafter, the terms of office for each Board member shall be for a period of three (3) years.

After a Director's term has expired, such Board member may serve additional three (3) year terms thereafter as he /she may be reappointed to the Foundation Board by the Directors of Sawnee EMC.

ARTICLE V

QUALIFICATIONS OF BOARD MEMBERSHIP

A Board member of the FOUNDATION shall be at least eighteen (18) years of age, a permanent resident of the Sawnee EMC Directorate District from which he/she is chosen and of good moral character. Members of the Board of Directors of the FOUNDATION shall be members of or spouses of members of Sawnee EMC. No person seeking or holding a seat on the Board of Directors of Sawnee EMC or on Sawnee's Consumer Advisory Task Force (CATF) shall become or remain a member of the FOUNDATION Board.

ARTICLE VI

SELECTION OF BOARD OF DIRECTORS

The initial Board of Directors shall be designated by the Board of Directors of Sawnee EMC. Thereafter, when vacancies are to be filled or when terms expire, persons shall be named to their respective vacancies on the Board of Directors of the FOUNDATION by a vote of the Board of Directors of Sawnee EMC.

The existing Board of Directors of the FOUNDATION may make recommendations to the General Activity Committee of Sawnee EMC's Board of Directors who will in turn recommend candidate(s) for nominees for the FOUNDATION Board to Sawnee's Board of Directors.

ARTICLE VII

COMPENSATION FOR DIRECTORS

No director of the FOUNDATION shall receive compensation for serving on the Board of Directors of the FOUNDATION. Such Board members may, however, be reimbursed for mileage and out-of-pocket expenses incurred while on the business of the FOUNDATION and when such business is sanctioned by the full Board of Directors of said FOUNDATION as outlined in the policies of the FOUNDATION.

ARTICLE VIII

MEETING OF THE BOARD OF DIRECTORS

A. **REGULAR MEETING:** The Board of Directors of the FOUNDATION shall meet not less than quarterly (e.g. four (4) times per year) at a place designated by the Board of the FOUNDATION. The Board of Directors of the FOUNDATION may meet at such other times as they may deem at their discretion to be necessary.

B. **SPECIAL MEETINGS:** Special meetings of the Board of Directors of the FOUNDATION may be called by the Chairman of the Board or by any three (3) Directors and it shall thereupon be the duty of the Secretary to cause a Notice of such meeting to be given as hereafter provided. The Chairman of the Board or the Directors calling such meeting shall fix the date, time and place.

C. **NOTICE OF DIRECTORS MEETING:** Written notice of the date, time and place of regular and special meetings of the Board of Directors shall be delivered to members of the Board of the FOUNDATION not less than five (5) days prior thereto, either personally, by mail, electronically or by other reasonable means at the direction of the Secretary, and upon default in that duty by the Secretary, then by the Chairman of the Directors calling for such meeting.

ARTICLE IX

QUORUM

A majority of the Board of Directors shall, unless otherwise designated in these Bylaws, constitute a quorum. In the event that less than a majority of the Board of Directors is present at any meeting, the majority of those Directors present may adjourn the meeting and designate a date, place and time for the next meeting under which circumstances the Secretary shall notify the absent members of the date, place and time of the next meeting.

An act of the majority of the Board of Directors present at any meeting at which a quorum is present, unless otherwise provided in these Bylaws, shall be the act of the Board of Directors of the FOUNDATION.

ARTICLE X

REMOVAL OF MEMBER OF BOARD

Any member of the Board of Directors of the FOUNDATION shall automatically cease to be a member of said Board if and in the event such member misses three (3) successive meetings within a twelve (12) month period or otherwise fails to meet the qualifications for director. This removal provision can be waived, by a majority of the member of the Board, if it is determined by the Board that such absences were 1.) for good cause and 2.) are not likely to occur in the future.

Any members of the Board of Directors of the FOUNDATION may otherwise be removed for cause from the Board by a two-thirds (2/3) vote of the entire Board of Directors of the FOUNDATION or by a 2/3 vote of the entire Sawnee EMC Board of Directors.

ARTICLE XI

OFFICERS OF THE CORPORATION

The officers of the FOUNDATION shall be a Chairman, a Vice Chairman, a Secretary and a Treasurer, and such other officers as may be determined by the Board of the FOUNDATION from time to time. For the purposes of these Bylaws, the above four (4) officers shall constitute the Executive Committee of the FOUNDATION.

ARTICLE XII

ELECTION OF OFFICERS AND TERMS OF OFFICE

The officers shall be elected annually by secret ballot by the Board of Directors at a meeting of the Board of Directors held on an annual basis after the initial organizational meeting.

The terms of office shall be for one (1) year, however, nothing shall prevent an officer from being re-elected to a single consecutive term of office. Under no circumstance shall an officer serve more than 2 consecutive terms.

ARTICLE XIII

EX OFFICIO MEMBERS OF BOARD OF DIRECTORS

The Board of Directors of Sawnee EMC shall appoint The President and Chief Executive Officer, or his designee, and may elect to appoint one (1) member of the Board of Directors of Sawnee Electric Membership Corporation, as ex officio members of the Board of Directors of the FOUNDATION.

Ex officio Directors shall have all rights and obligations of FOUNDATION directors, except that they may not vote on any matter that comes before the Board of Directors of the FOUNDATION. The FOUNDATION may from time to time have other such ex officio members of the Board of Directors of the FOUNDATION as in its discretion has been determined to be necessary and/or prudent.

ARTICLE XIV

POLICIES, RULES AND REGULATIONS

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

ARTICLE XV

DUTIES OF OFFICERS

A. **CHAIRMAN:** The Chairman shall be the principal executive officer of the FOUNDATION and, unless otherwise determined by the Board of Directors of the FOUNDATION, shall preside at all meetings of the Board of Directors and, in general, perform all duties incidental to the office of Chairman and such other duties as may be prescribed by the Board of Directors from time to time.

B. **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. The Vice Chairman shall also perform such other duties as from time may be assigned to the Vice Chairman by the Board of Directors of the FOUNDATION.

C. **SECRETARY:** The Secretary shall be responsible for the keeping of the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; be responsible for seeing that all notices are duly given in accordance with these Bylaws or as required by Law; be custodian of the FOUNDATION corporate records and of the seal of the FOUNDATION and affix the seal of the FOUNDATION to all necessary documents, the execution of which on behalf of the FOUNDATION under its seal is duly authorized in accordance with the provision of these Bylaws; have general charge of the books of the FOUNDATION; be responsible for the keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the FOUNDATION containing all amendments thereto; and, in general, perform all duties incidental to the office of the Secretary and such other duties as from time to time may be assigned to the Secretary by the Board of Directors.

D. **TREASURER:** The Treasurer shall have charge and custody of and be responsible for all funds and securities of the FOUNDATION; be responsible for the receipt of and the issuance of receipts for monies due and payable to the FOUNDATION from any source whatsoever; and for the deposit of all such monies in the name of the FOUNDATION in accordance with the provisions of these Bylaws; and, in general, perform all the duties incidental to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

ARTICLES XVI

CHECK SIGNING

Any and all checks issued by the FOUNDATION, for any purpose, shall be signed by two (2) officers or one (1) such other person or two (2) such other persons as may be designated by the Board of Directors as having check signing authority, each of whom may be bonded, if so directed by the Board of Directors of the FOUNDATION, for not less than \$100,000.00.

ARTICLE XVII

DISBURSEMENT OF FUNDS

Except as otherwise provided by these Bylaws, the Board of Directors of the FOUNDATION shall have the full and sole responsibility for the disbursement of monies of the FOUNDATION in accordance with these Bylaws, agreements governing the FOUNDATION and such policies as may be adopted by the Board of Directors of the FOUNDATION.

Prior to the consideration by the Board of Directors of the FOUNDATION of any disbursement, members(s) of the Board of Directors of the FOUNDATION shall disclose and explain any personal and/or business interest, connection, kinship, or other association he or she has with the person, family, group, corporation or other entity under consideration for funding by the FOUNDATION.

Such member shall excuse himself or herself from the meeting and not participate in the discussion of or voting on the disbursement.

No disbursement shall be made by the FOUNDATION that would jeopardize its tax-exempt status or the deductibility of contributions made to it.

ARTICLE XVIII

ACCUMULATION OF FUNDS

Sawnee EMC shall transfer funds collected by it or other sources for the benefit of the FOUNDATION on a regular basis, but in no event less than quarterly. The FOUNDATION may also solicit and accept contributions from other sources as deemed appropriate by the Board of Directors of the FOUNDATION.

Funds provided to the Foundation as “restricted” will be limited to the purpose outlined by the giver. Should it be determined, in the Foundation’s sole view, that such restrictions are outside the best interest of the Foundation, the gift shall be rejected. Otherwise, all restrictions shall be strictly adhered to.

ARTICLE XIX

INVESTMENT OF FUNDS

The Board of Directors of the FOUNDATION shall be responsible for the funds entrusted to it and shall make such deposit and investment of said funds in a manner which is commercially reasonable and prudent and in keeping with these Bylaws, the laws of this State

and the United States, generally accepted accounting practices and the policies of the FOUNDATION.

Funds classified as restricted shall be maintained in a separate account and invested separately. Such investments shall be as prescribed by the Foundation Board.

ARTICLE XX

AMENDMENT OF BYLAWS

These Bylaws may be altered, amended, or repealed by the Board of Directors of the FOUNDATION.

No such amendment shall become effective for a period of thirty (30) days, during which time the Board of Directors of Sawnee EMC shall have the right to negate or modify any alteration, amendment or repeal that are not consistent with the charitable purposes of the FOUNDATION as determined by the Board of Directors of Sawnee EMC.

ARTICLE XXI

ACCOUNTING SYSTEM & REPORTS

The Board of Directors of the FOUNDATION shall cause to be established and maintained a complete accounting system such that is in keeping with sound financial management and more specifically as may be required by the Board of Sawnee EMC. Furthermore, the Board of Directors of the FOUNDATION shall cause to be made reports to the General Activity Committee of the Board of Directors of Sawnee EMC as well as the full Board of Directors of Sawnee EMC, on the operation and expenditures of the FOUNDATION as may be necessary and prudent, but in no case less than semi-annually.

Minutes and financial statements shall be provided to Sawnee EMC's Board of Directors and governing Board Committees within a reasonable time and usually within fifteen (15) business days following a meeting of the Board of Directors of the FOUNDATION.

ARTICLE XXII

POLITICAL CONTRIBUTIONS

No funds of the FOUNDATION shall in any fashion be used to support any candidate for political office, any political party or for any other political purpose, including the influencing of legislation.

ARTICLE XXIII

BORROWING FUNDS

The FOUNDATION shall NOT have the authority to borrow monies from any bank, savings and loan or other financial institutions or any other party for any purpose.

ARTICLE XXIV

EMERGENCY EXPENDITURE

The Executive Committee of the FOUNDATION, by a vote of at least three (3) of its four (4) members, may from time to time make expenditures on an emergency basis, in accordance with these Bylaws and policies adopted by the Board of Directors of the FOUNDATION; and in accordance with the purpose of this FOUNDATION, in an amount not exceeding ONE THOUSAND AND NO/100THS (\$1,000.00) DOLLARS, to any qualified person, family, group or organization.

Such emergency expenditure shall be fully disclosed by the Executive Committee of the FOUNDATION to the Board of Directors of the FOUNDATION at the next regular or called meeting.

ARTICLE XXV

AMOUNT OF EXPENDITURES

Unless otherwise provided by these Bylaws, and in keeping with the purpose of the FOUNDATION, the Board of Directors of the FOUNDATION may make annual expenditures of FOUNDATION funds by a majority vote of members present at a meeting and constituting a quorum. Such expenditures shall be made to qualified recipients according to rules adopted by the Board of Directors of the FOUNDATION and approved by the Board of Directors of Sawnee EMC.

ARTICLE XXVI

RETENTION OF FUNDS

To assure that the FOUNDATION maintains a reasonable level of unrestricted funds for its operation and to provide for unexpected catastrophic needs, the FOUNDATION shall accumulate and maintain a reserve fund of not less than the values outlined herein.

For a given year the reasonable level of reserve shall be the greater of five percent (5%) of the previous year's total unrestricted income from contributions or FIVE THOUSAND AND NO/100THS (\$5,000.00) DOLLARS. In no case shall the reserve be greater than SEVEN THOUSAND FIVE HUNDRED AND NO/100th (\$7,500.00) DOLLARS.

No operational expenditures or donations from unrestricted fund shall be made in any year until the minimum Reserve Fund Level for that year, as stated herein, is achieved. Thereafter, unrestricted expenditures, which bring the balance of funds held by the FOUNDATION below the Minimum Reserve Fund Level for any year, may only be made for unexpected catastrophic and operational expenditures, and then only with the approval of the majority of the Board of Directors of SAWNEE EMC.

If expenditures or donations for unexpected catastrophic and operational expenditures are made, bringing the Minimum Reserve Fund Level for any year below the Minimum Reserve Fund Level specified for that year, no further expenditures or donations shall be made until the Minimum Reserve Fund is fully restored to the level specified above.

Restricted funds shall not be held to the standard described in this section and shall be administered as prescribed by the giver and / or as outlined by the Foundation Board of Directors.

ARTICLE XXVII

PROXY VOTING

There shall not exist proxy voting at any meeting of the Board of Directors of the FOUNDATION.

ARTICLE XXVIII

AUDIT

The Board of Directors of the FOUNDATION shall, on an annual basis, cause the books and records of the FOUNDATION to be audited by a certified public accountant (“Auditor”), and a report in keeping with sound accounting principles shall be issued to the Board of Directors of the FOUNDATION and the Board of Directors of Sawnee EMC no later than 120 days beyond the close of the FOUNDATION books for the fiscal year.

The Board of Directors of the FOUNDATION may, at its sole discretion, assign the task of receiving the Auditor’s report to a committee of the Board (“Audit Committee”). If so requested, the Audit Committee shall receive the annual audit report from the Auditor and report its findings to the Board of Directors of the FOUNDATION as soon as is practical, but no later than 120 days beyond the close of the FOUNDATION books as prescribed herein.

ARTICLE XXIX

FISCAL YEAR

The Fiscal Year of the FOUNDATION shall commence on the 1st day of January of each calendar year and end on the 31st day of December of each calendar year.

ADOPTED: June 20, 2002

AMENDED: May 20, 2003
May 25, 2004
November 15, 2005
February 24, 2010
February 22, 2011
May 23, 2012
May 26, 2015

ARTICLES OF INCORPORATION
OF
SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

ARTICLE I

The name of the Foundation is the SAWNEE ELECTRIC MEMBERSHIP FOUNDATION, INC.

ARTICLE II

The address of the initial registered office of the Foundation is 543 Atlanta Road, Cumming, Georgia 30040. The initial registered agent of the Foundation at such address is Michael A. Goodroe.

ARTICLE III

The name and address of the Incorporator is Richard G. Tisinger, Sr., Tisinger, Tisinger, Vance & Greer, P.C., P.O. Box 2069, 100 Wagon Yard Plaza, Carrollton, Georgia 30117.

ARTICLE IV

The Foundation shall not have members.

ARTICLE V

The mailing address of the initial principal office of the Foundation is 543 Atlanta Road, Cumming, Georgia 30040.

ARTICLE VI

The Foundation shall exist in perpetuity unless dissolved as provided in the Bylaws of the Foundation.

ARTICLE VII

The Foundation shall be a nonprofit corporation organized pursuant to the provisions of the Georgia Nonprofit Corporation Code.

ARTICLE VIII

- (a) The affairs of the Foundation shall be managed by a Board of Directors. The Board of Directors shall exercise all of the powers of the Foundation, except for the adoption and amendment of the Bylaws of the Foundation, which power shall be exercised by the Board of Directors of the Sawnee Electric Membership Corporation, in Cumming, Georgia. The number, qualification, terms of office and manner of selection of members of the Board of Directors shall be as set forth in the Bylaws of the Foundation.
- (b) No person who is serving or has served as a member of the Board of Directors shall have any personal liability for monetary damages for breach of duty of care of other duty as a member of the Board of Directors; provided that this provision shall not eliminate or limit the liability of any such person:
 - (i) for an appropriation, in violation of his duties, of any business opportunity of the Foundation;
 - (ii) for acts of omissions which involve intentional misconduct or a knowing violation of law;
 - (iii) for the types of liability set forth in Section 14-3-860 through 14-3-864 of the Georgia Nonprofit Corporation Code; or
 - (iv) for any transaction from which such person received an improper personal benefit.

The limitation of liability conferred on this Article shall be in addition to and not in lieu of all other limitations, immunities, and indemnities conferred by law, these Articles and the Bylaws of the Foundation.

ARTICLE IX

The Foundation is organized and shall be operated exclusively for charitable purposes within the meaning of Section 501c3 of the United States Internal Revenue Code of 1999, as amended (or the corresponding provision of any future United States internal revenue law) and for such related purposes as may be permitted to charitable foundations which are organized under the Georgia Nonprofit Corporation Code and which are described in the aforesaid provision of the United States Internal Revenue Code.

ARTICLE X

No part of the net earnings of the Foundation shall inure to the benefit of or be distributable to its directors, officers, or other private persons, except that the Foundation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Foundation. No substantial part of the activities of the Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation and the Foundation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Article, the Foundation shall not carry on any other activity not permitted to be carried on (a) by a foundation exempt from federal income tax under Section 501c3 of the Internal Revenue Code of 1999 (or the corresponding provision of any future United States internal revenue law) or (b) by a foundation, contributions to which are deductible under section 170 c2 of the Internal Revenue Code of 1999 (or the corresponding provision of any future United States internal revenue law).

ARTICLE XI

Upon the dissolution of the Foundation, the Board of Directors, after paying or making provisions for the payment of all of the liabilities of the Foundation, shall dispose of all of the assets of the Foundation exclusively for the purposes of the Foundation, either directly or by transfer to such organization or organizations organized and operated exclusively for charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501c3 of the Internal Revenue Code of 1999 (or the corresponding provisions of any future United States internal revenue law), as the Board of Directors shall determine. Any such assets not so disposed of by the Board of Directors shall be disposed of by the Superior Court of the County in which the principal office of the Foundation is then located, exclusively for such purposes or to such organization or organizations which are organized and operated exclusively for such purposes, as said Court shall determine.

IN WITNESS WHEREOF, the undersigned Incorporator has executed these Articles of Incorporation.

Richard G. Tisinger, Sr., Incorporator

CONSENT TO APPOINTMENT AS REGISTERED AGENT

TO: Secretary of State
Ex-Officio Corporation
Commissioner
State of Georgia

I, Michael A. Goodroe, do hereby consent to serve as registered agent for the corporation Sawnee Electric Membership Foundation, Inc.

This _____ day of _____, 2002

Michael A. Goodroe

Address of Registered Agent
543 Atlanta Road
Cumming, Georgia 30040