



GREYSTONE
POWER CORPORATION
An Electric Membership Corporation

GreyStone Power

An Electric Membership Corporation
HIRAM, GEORGIA

Bylaws



GreyStone Power is an equal opportunity provider and employer.

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**GREYSTONE POWER CORPORATION
BYLAWS**

**ARTICLE I
MEMBERSHIP**

Section 1.01. Eligibility

Any individual or entity (“person”) with the capacity to enter a legally binding contract with GreyStone Power Corporation (the “Cooperative”) to receive electric service is eligible to become a member of the Cooperative. A person may be referred to herein as “who,” “which,” “that,” “he,” “him” or “his,” all of which shall be deemed to include the feminine and masculine, and the animate and inanimate.

Section 1.02. Application for Membership; Renewal or Prior Application

(a) Unless these Bylaws provide otherwise, or the Board of Directors waives same, any eligible person seeking to become a member (“applicant”), or who wishes to remain a member, must, within a reasonable time of initially using or requesting to use the Cooperative’s electric service, complete the procedures and comply with the requirements stated in this Bylaw Section 1.02, to the Cooperative’s reasonable satisfaction (“membership application procedures”).

(b) Each applicant must apply for membership in such form, substance and manner prescribed by the Cooperative from time to time. Such membership application shall include, without limitation, the member’s agreement to:

- 1) comply with and be bound by the Cooperative’s Articles of Incorporation, Bylaws, rates, tariffs, Service Rules and Regulations, membership application and any other reasonable rules and regulations from time to time adopted or amended by the Cooperative, as well as any supplemental or separate contract between the applicant and the Cooperative (the “membership documents”); and
- 2) take electric service from the Cooperative and pay for same based upon such rates and terms as the Cooperative may from time to time prescribe.

(c) Each applicant and member shall:

- 1) pay or make satisfactory arrangement for the payment of any past-due indebtedness owed by the person to the Cooperative, together with interest as may be provided in the membership documents;
- 2) pay or make satisfactory arrangement for the payment of such security deposit, membership fee, contribution-in-aid-of-construction, service connection deposit, unpaid debt to the Cooperative or any combination of same and such other fees or charges as may be required pursuant to the membership documents in effect at the time application is made;
- 3) satisfy all other reasonable conditions and requirements established for membership from time to time by the Board of Directors.

Section 1.03. Waiver of Membership Procedures and Requirements

Should the Cooperative ascertain that it is providing electric service to a person who has not complied with the membership application procedures, the Cooperative may either waive the membership application procedures and accept the person as a member; or, if the person fails to comply with the membership application procedures within five (5) days after written request, the Cooperative may terminate electric service to the premises of such person to which electric service is provided.

Section 1.04. 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, that the Board of Directors may, by resolution, deny an application and refuse to extend service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be denied for other good cause.

Section 1.05. Retroactive Membership

Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it may cease furnishing such electric service unless such person applies for membership in the Cooperative and complies with the membership application procedures or becomes a member pursuant to Sections 1.03 or 1.06 (re: waiver of and exceptions to membership procedures). The membership shall be effective retroactively to the date on which such person first began receiving such electric service. The Cooperative, to the extent practicable, shall correct its membership records and all related records accordingly.

Section 1.06 Exceptions to Membership Procedures and Requirements

Notwithstanding the requirements of Section 1.02, any person who is eligible to be a member of the Cooperative shall automatically become a member of the Cooperative upon the Cooperative's acceptance of payment of the membership fee. Such membership shall date from the time of initial use of electric service provided by the Cooperative. Payment of the membership fee under such circumstances shall constitute a person's affirmative acceptance of all terms and conditions of membership, and their agreement to be bound by the Cooperative's Bylaws, Service Rules and Regulations, and rate schedules as they may be adopted or amended.

Section 1.07. Membership Obligations

In consideration of the Cooperative providing electric service, each member shall comply with any reasonable requirement of the Cooperative which enhances the Cooperative's ability to provide safe and reliable electric service to the member and other members and to reduce the cost of same. Without limitation, each member shall:

- (a) purchase from the Cooperative, as soon as electric service shall be available, all central station electric energy, capacity and electric distribution service purchased for use on or to serve the premises to which electric service is provided by the Cooperative at the request of the member or the member's agent, unless temporarily prevented from receiving electric service by causes reasonably beyond the control of the applicant or member, and pay therefor, including any monthly amount that may be

charged without regard to the amount of electric energy and power actually used under terms and at rates provided in the membership documents;

(b) comply with and be bound by the membership documents and any other reasonable rules and regulations from time to time adopted by the Board of Directors;

(c) upon request by the Cooperative, execute and deliver to the Cooperative grants of easement or rights-of-way over, on and under lands owned or leased by or mortgaged to the member in accordance with such reasonable terms and conditions as the Cooperative may require for the construction, operation, maintenance or relocation of the Cooperative's facilities, lines and equipment;

(d) pay all sums due the Cooperative under the membership documents. (When the member has more than one service connection from the Cooperative, or other indebtedness owed to the Cooperative, any payment may be allocated and credited to the member's various service connections in whatever manner the Cooperative may determine, regardless of any attempt by the member to dictate the method of allocation or credit);

(e) have control and total responsibility for all electric wiring, apparatus, equipment and facilities beyond the point where the Cooperative's service wires attach to the member's service entrance or, if no service entrance exists, the member's wiring;

(f) be responsible for and shall indemnify the Cooperative, its employees, agents and contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of the member's premises, wiring, apparatus, equipment and facilities receiving or utilizing electric energy;

(g) make available to the Cooperative a suitable site, as determined by the Cooperative, to place the Cooperative's physical facilities for the furnishing and metering of electric service;

(h) permit the Cooperative's authorized employees, agents and independent contractors to have access to all Cooperative facilities at all reasonable times safely and without interference, for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities; and

(i) be the Cooperative's bailee of the Cooperative's facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall prevent others from so doing. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person, the member shall indemnify the Cooperative and its employees, agents and contractors against death, injury, loss or damage resulting therefrom, including but not limited to, the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss of revenues, if any, resulting from the failure or defective functioning of its metering equipment.

The foregoing obligations shall be referred to herein as "membership obligations." The provisions of this Section shall not be construed to prohibit members from owning and operating a distributed generation facility providing power to and located on the premises where the member receives electric service, provided that such facility, and its operation, shall comply with the Georgia Cogeneration and Distributed Generation Act (O.C.G.A. § 46-3-50, et. seq.) and such reasonable rules and regulations as may be adopted by the Cooperative to ensure the facility does not adversely impact safety, reliability, and efficiency.

ARTICLE II
MEMBERSHIP SUSPENSION AND TERMINATION

Section 2.01. Suspension; Reinstatement

Upon a member's 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 noncompliance 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 the members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement and/or cessation of any other noncompliance 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. Expulsion

A member in default of any of his membership obligations may be expelled from membership, as permitted in the membership documents and pursuant to such reasonable terms and conditions as may from time to time be adopted by the Board.

Section 2.03. Termination by Withdrawal or Resignation

A member in good standing may withdraw or resign from membership upon compliance with such terms and conditions as the Board of Directors shall establish.

Section 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in a Remaining or New Partners

The death of an individual human member shall automatically terminate such membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: PROVIDED, that upon the dissolution of a partnership, or upon the withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining partner or partners, including any additional partners, as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership, PROVIDED FURTHER, neither a 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 member's membership, he or his estate, as the case may be, shall be entitled to a refund of his membership fee and any service security deposit(s) he has paid the Cooperative, 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 of Directors 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 each membership.

Section 2.06. Board Acknowledgement of Membership Termination

Upon the termination of a member's membership for any reason, the Board of Directors, so soon as practicable after such termination is made known to it, may by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing electric service to such person, although failure to make any such formal acknowledgement shall not alter the fact of such membership termination nor its effective date.

**ARTICLE III
MEETINGS OF MEMBERS**

Section 3.01. Annual Meeting

For the purposes of electing directors (and/or announcing the results of contested director elections), hearing reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held the second Saturday of the month of October each year, at such place within a county in the State of Georgia served by the Cooperative, and beginning at such hour as the Board of Directors shall from year to year fix: PROVIDED, that for good cause the Board of Directors may fix a different date for such annual meeting not more than thirty (30) days prior or subsequent to the date otherwise established for such meeting in this Section. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for and to encourage member attendance at the annual meeting. Failure to hold the annual meeting at the designated time and place 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 of Directors, the Chairman of the Board, by any three 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 herein-after provided in Section 3.03. Such a meeting shall be held at such place in one of the counties in Georgia which the Cooperative serves, on such date not sooner than forty (40) days after the call for such meeting is made, or a petition therefore is filed, and beginning at such hour as shall be 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 Ga. Code Section 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 prior to the date of the meeting, by any reasonable means, by or at the direction of the Chairman, the Secretary (or, in the case of a special meeting, at the direction of those 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 its monthly insert, if any, in *Georgia Magazine*, or member service billings. No matter the carrying of which, as provided by law or by the Cooperative's Articles of Incorporation or Bylaws requires the affirmative votes of at least a majority of all the Cooperative's members, 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 records of the Cooperative, with postage thereon prepaid and, whether mailed first class or not, post-marked 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 or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

Section 3.04. Quorum

Representation of at least one hundred fifty (150) members of the Cooperative shall constitute a quorum for conducting any item of official business by members. Members represented in connection with a given item of official business, in any manner authorized in these Bylaws, shall be counted only toward the quorum with respect to such item of official business. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another time and date not less than thirty (30) days later and to any place within one of the counties in Georgia in which the Cooperative serves: PROVIDED, that the Secretary shall notify any absent members of the time, date and place of such adjourned meetings 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 minutes, or incorporate therein by reference, a list of those who were 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 in good standing, as provided for in Section 4.06, shall be entitled to only one vote upon each matter submitted to a vote of the members. Voting by members other than members who are natural persons shall be allowed upon compliance with rules established by the Credentials and Election Committee to reasonably ensure votes are cast only by those entitled to vote. Members shall vote by mail-in ballot in contested director elections, and when determined by the Board of Directors, may also vote by mail-in ballot in other matters. Questions submitted to member vote 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.

Section 3.06. Credentials and Election Committee

The Board of Directors shall, at least one hundred (100) days before any meeting of the members, and at least thirty (30) days before submission of any matter to a vote of members, appoint a Credentials and Election Committee. The Committee shall consist of an uneven number of members not less than seven (7) nor more than nine (9) who are not members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives (as hereinafter defined) or members of the same household thereof. In appointing the Committee, the Board shall have regard for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to pass 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, qualifications and conflicts of interest of directors (including, but not limited to, the validity of petitions or nomination or the qualifications of candidates and the regularity of the nomination and election of directors), and to pass upon any protest, inquiry or objection filed with respect to any vote, conduct affecting the results of any vote, the qualifications of any director, or any questions regarding the conflict of interest of any director. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In contested elections, the Committee shall appoint the Cooperative's independent auditor (or, with the consent of the Board of Directors, another independent third party) as the Supervisor of Elections. The Supervisor of Elections shall receive, verify, and tabulate the ballots in any contested election, although the Committee shall remain responsible for approving the format of the ballots, the instructions on the ballots, instructions for the Supervisor of Elections, and for ruling on all questions from the Supervisor of Elections.

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 publication of the results. The Committee shall thereupon be convened, 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 vote, to change the outcome thereof, or to set it aside. In the event a question is raised concerning the qualifications or conflict of interest of any director, candidate for a director's position, or nominee for a director's position, the Committee shall, within thirty (30) days from the time said question has been filed in writing, convene to hear such evidence as is presented by all interested parties to the controversy and, by a vote of a majority of those present and voting, render its decision concerning said controversy. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. 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 prerogative of the Committee, on request of the person presiding at the meeting of the members, or on the request

of any member entitled to vote, 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 shall be essentially as follows:

- (1) Report on the number of members present in person in order to determine the existence of 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) Taking action on unapproved minutes of previous meetings of the members;
- (4) Presentation and consideration of reports of officers, directors and committees;
- (5) Election of board members;
- (6) Unfinished business;
- (7) New business; and
- (8) Adjournment.

Notwithstanding the foregoing, the Board of Directors or the members themselves 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, that 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. The Board 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 of Directors 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 capacity to the Board.

Section 4.02. Qualifications

No person shall be eligible to become or remain a nominee for director, or a director of the Cooperative, who:

- (a) shall have been finally adjudged to be guilty of a felony; or
- (b) is a close relative of an incumbent director; or
- (c) is or has been, during the twelve (12) months immediately preceding the date for which said director stands for election or is appointed, an employee of the Cooperative, an employee or director of a competing utility, a close relative of an employee of the Cooperative, or a close relative of an employee or director of a competing utility; or
- (d) has been determined by the Credentials and Election Committee to have an irreconcilable conflict of interest with the fiduciary duty owed by a director to the Cooperative; or
- (e) is not a member of the Cooperative and a bona fide resident of the District he/she seeks to represent and whose primary place of residence is not located within said District and served by the Cooperative; or
- (f) is not at least eighteen (18) years of age; or
- (g) is in any way employed by, or substantially financially interested in, a competing enterprise, or a business selling electric energy or supplies to the Cooperative, except when such employment or financial interest, in the judgment of the Directors, excluding the Director in question, is so inconsiderable and incidental as not to pose a reasonable prospect of a conflict of interest; or
- (h) is or has been, during the five (5) years immediately preceding the date for which said director stands for election or is appointed, suspended from membership in the Cooperative pursuant to Section 2.01 of these Bylaws; or
- (i) has been, during the twenty-four (24) months immediately preceding the date for which said director stands for election or is appointed, late in the payment of amounts due the Cooperative for electric service on more than three (3) occasions; or
- (j) does not have, on the date on which said director is nominated or is appointed, a credit score of "average" or better, or in the top one-half of consumer scores, as determined by a national consumer credit reporting agency.

Notwithstanding any of the foregoing provisions of this Section addressing close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if he becomes a close relative of another incumbent director or of a cooperative employee because of a marriage to which he was not a party.

Upon presentation to any member of the Board of Directors of written charges that any person being considered for, or already holding, a directorship in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to report said facts to the Credentials and Election Committee for determination as to whether or not said person meets the necessary qualifications for a director of the Cooperative, and, upon the rendering of the said Credentials and Election Committee's findings that said person does not meet the necessary qualifications for a director, to cause said person to be removed therefrom or disqualified, as the case may be. 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 of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.

Section 4.03. Tenure

Directors shall be so nominated and elected that one director from each of Directorate Districts Nos. 1, 4, and 8 shall be elected for three- year terms at an annual member meeting; one director from each of Directorate Districts Nos. 3, 5, and 9 shall be elected for three-year terms at the next succeeding annual member meeting; and one director from each of Directorate Districts Nos. 2, 6 and 7 shall be elected for three-year terms at the next succeeding annual member meeting, and so forth: PROVIDED, and if subsequently provided for pursuant to Section 4.05 hereof that the terms of no two directors from the same Directorate District shall coincide. Upon their election, directors shall, subject to the provisions of these Bylaws with respect to the removal of directors, serve until the annual meeting of the members 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 an annual meeting of the members 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 annual meeting of the members. 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 member meeting at which a quorum is present.

Section 4.04. Directorate Districts

The territory served by the Cooperative shall be divided into nine (9) Directorate Districts. Each District shall be represented by the number of directors, and the Districts are described, as follows (and on the map included with and made part of these Bylaws):

District No. 1. All of the territory served by GreyStone Power Corporation in Bartow and Paulding Counties north of Highway 278 from the eastern boundary of Carroll EMC line east to a point where Highway 120 intersects Highway 278, thence north along Hwy. 120 to the western boundary of Cobb EMC lines. (One director.)

District No. 2. All of the territory in Paulding County, south of the line of District No. 1 as aforesaid, and east of the Carroll EMC line in said county, and west of Cobb and Paulding County line. The south line of said district to run from the intersection of the Carroll EMC line and the southern boundary of Paulding County, thence east along the Paulding and Carroll County line to the intersection of Highway 61. Thence north along Highway 61 to New Georgia, thence east along Ridge Road Hwy. 92, thence north along Hwy. 92 to the junction of Hwy. 92 and Pine Valley Lake Road thence east along Pine Valley Lake Road, to the Paulding and Cobb County line. (One director.)

District No. 3. All of the territory south of south line of District No. 2 as aforesaid, east of the line between Douglas and Carroll County; and west of the dividing line between Douglas and Cobb County, and north of the Southern Railway Company line, through said Douglas County (said District embracing territory in both Paulding and Douglas Counties). (One director.)

District No. 4. All of the territory served by GreyStone Power Corporation in Carroll County lying to the north of the Southern Railway Company line and all that territory served by GreyStone Power Corporation in Carroll and Douglas Counties south of the Southern Railway Company line and east of the Carroll EMC line. The east line of said District shall be the public road designed as Highway 5 running in a northerly direction from the intersection of Highway 5 and the Carroll EMC line to the intersection of Highway 5 and Dorsett Shoals Road, thence east along Dorsett Shoals Road to the intersection of Dorsett Shoals Road and Yeager Road, thence north along Yeager Road to the intersection of Yeager Road and Kings Highway, thence north on Kings Highway to the intersection of Kings Highway and Highway 5, thence north along Highway 5 to the intersection of Highway 5 and Rose Avenue, thence along Rose Avenue to the Southern Railway Company line. (One director.)

District No. 5. All of the territory served by GreyStone Power Corporation in Carroll and Douglas Counties south of the Southern Railway Company line and east of the east line of District No. 4 as aforesaid. The east line of said district to be the public road designated as Highway 92 proceeding in a southerly direction to the intersection of Highway 92 and Highway 166, thence southeast along Highway 166 to the Chattahoochee River; the south line of said district to be the Chattahoochee River. (One director.)

District No. 6. All of the territory in Fulton County, southeast of the Chattahoochee River, the easterly line to begin at Highway 92 on the Chattahoochee River, south to Highway 154, known as Cascade-Palmetto Highway, to the intersection of Rivertown Road, thence east along Rivertown Road to the city of Fairburn, thence south through the city of Fairburn along Highway 74 to the southern territorial lines of GreyStone Power Corporation to include all members in Coweta and Fayette Counties served by GreyStone Power Corporation. (One director.)

District No. 7. All of the remainder of Fulton County served by GreyStone Power Corporation east of aforesaid line designated as the easterly line of District No. 6 to the lines of Georgia Power Company and the city of Fairburn. (One director.)

District No. 8. All of the territory located in Douglas County, south of the Southern Railway Company line and east of the east line of District No. 5 as aforesaid; north of the Chattahoochee River; and west of the dividing line between Douglas and Cobb County. (One director.)

District No. 9. All of the territory embraced within Cobb County served by GreyStone Power Corporation. (One director.)

The above described Districts are designated by their respective numbers on the map included in and made part of these Bylaws. Notwithstanding the foregoing number of Districts, District descriptions and number of District directors presently provided for in this section and in other sections of this Article IV, every year the Board of Directors, not less than ninety (90) days prior to the earliest date on which the annual member meeting may be scheduled pursuant by these Bylaws to be held, shall review the Districts and Directorships. If the Board determines that the boundaries or number of districts should be altered or that the number of District directors should be increased or reduced, so as to correct any substantially inequitable factors regarding the residence 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 (3) years. The Board of Directors shall cause all such amendments and the names, addresses and initial terms of any such newly appointed additional directors to be noticed in writing to the members not less than five (5) days prior to the date on which the Committee on Nominations for the next annual member 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 members of the Nominating Committee and of the date, hour and place of the Committee's first meeting.

From and after the date of 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 in order to establish the most equitable and geographical representation of the Board of Directors: PROVIDED, that 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 annual meeting of the members first held in accordance with such changes effectuated by the Board of Directors; AND PROVIDED FURTHER, that no such change, whether effectuated 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 such director consents thereto in writing.

Section 4.05. Nominations

It shall be the duty of the Board of Directors to appoint, not less than one hundred thirty (130) days prior to the date of a meeting of the members at which directors are to be elected, a Committee on Nominations, consisting of nine (9) members of the Cooperative, who are not existing Cooperative employees, agents, officers, directors or known candidates for director, who are not close relatives (as hereinafter defined) or members of the same household thereof, and who are so selected that each of the Cooperative's Directorate Districts shall have representation thereon in proportion to the number of

authorized directors from or with respect to such District. The Committee shall prepare and post at the principal office of the Cooperative at least one hundred and twenty (120) days prior to the meeting a list of nominations for directors to be elected, listing separately the nominee(s) for each Directorate District from or with respect to which a director must, pursuant to this Article, be elected at the meeting. The Committee may include as many nominees for any director to be elected from or with respect to any Directorate District as it deems desirable. Any fifty (50) or more members of the Cooperative, acting together, may make additional nominations in writing over their signatures, listing their nominee(s) in like manner, not less than one hundred (100) days prior to the meeting, and 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 with the notice of the meeting, or separately, but at least five (5) days prior to the date of the meeting, a statement of the names and addresses of all nominees for each Directorate District from or with respect to which one or more directors must be elected, showing clearly those nominated by the Committee and those nominated by petition, if any. PROVIDED, however, that should a nominee die, become disabled or disqualified after nomination but before the date set for election, the Nominating Committee may be reconvened, if feasible, to make further nomination(s) for such Directorate District. Nominations may be made from the floor at the meeting wherein such election was to be held ONLY if there are no eligible nominees for a position that was to be filled at such meeting.

Section 4.06. Manner of Voting in Contested Director Elections

(a) Directors shall be elected to fill the seats for those directors whose terms are expiring at each annual meeting of the members.

(b) Voting in the election of directors shall be by secret ballot as prescribed in this Section; PROVIDED, however that when a nominee has no opposition, secret written ballots shall be dispensed with in respect to that particular election, and voting may be conducted at the annual meeting of the members by voice vote or in any other proper manner. Members entitled to vote may cast a single vote in each contested election.

(c) Directors shall be elected by a majority of the valid votes cast by the members. Should no candidate receive the requisite majority vote, the winner shall be chosen by additional secret ballots between the two candidates receiving the highest number of votes in the prior balloting. The runoff election will be conducted no sooner than fourteen (14) and no later than ninety (90) days after the annual meeting of members in which the election occurred.

(d) As soon as practicable after the time for making nominations is closed, the Credentials and Election Committee shall meet and determine the persons duly nominated and shall cause ballots to be prepared for each director election for which there is more than one qualified nominee. Each ballot shall:

1. have printed thereon the name of each qualified person duly nominated and identify the incumbent, if any;

2. have printed thereon or be accompanied by instructions as to the method by which a vote for a particular candidate shall be indicated;
3. have printed thereon a notice as to the time and date by which the ballot must be received, and the address designated for the receipt of ballots; and
4. such other information as the Credentials and Election Committee shall deem appropriate to assist the members in casting their ballot.

(e) If there is a contested election, the Credentials and Election Committee shall oversee the preparation and mailing of ballots to all members in good standing on the record date set by the Cooperative, not more than ninety (90) days prior to the date of the Annual Meeting of members and any runoff election.

(f) If there is a contested election, each member desiring to vote shall mark his ballot according to the instructions of the Credentials and Election Committee and shall return the ballot on or before the date specified by the Credentials and Election Committee and set forth on the ballot. The only ballots which shall be counted are those that:

1. are cast by members in good standing as of the record date set by the Cooperative;
2. have been received at the designated place on or before the date specified by the Credentials and Election Committee; and
3. comply with all requirements of these Bylaws and the rules and regulations and instructions prescribed by the Credentials and Election Committee.

(g) The term “member in good standing” shall mean one who has fulfilled the requirements for membership and whose membership is not in a status of suspension, nor been voluntarily withdrawn, nor terminated, all as provided in these Bylaws.

Section 4.07. Failure of Compliance

Failure to comply with any of the provisions of this Article as to the nomination or election of directors shall not affect the validity of any action taken by the Cooperative, by the Board of Directors, by any committee of the Board of Directors, or by any officer of the Cooperative.

Section 4.08. Removal of Directors by Members

Any member may bring one or more charges for cause against any one or more director(s) and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition signed by not less than ten (10%) percent of the then-total members of the Cooperative, which petition calls for a special member meeting, the stated purpose of which shall be

to hear and act on such charge(s) and, if one or more directors are recalled, to elect their successor(s) and specifies the place, time and date thereof not sooner than forty (40) days after filing of such petition or requests that the matter be acted upon at the subsequent annual member meeting if such meeting will be held not 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), 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, of the member(s) filing the charge(s), and the purpose of the meeting shall be contained in the notice of the meeting, or separately noticed to the members not less than ten (10) days prior to the member meeting at which the matter will be acted upon: PROVIDED, that the notice shall set forth only twenty (20) of the names (in alphabetical order) of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same director(s). Such director(s) shall be informed in writing of the charges after they have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) is (are) to be considered, and shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence with respect to the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must 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, and any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations, except that nominations shall be made from the floor: PROVIDED, that the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the meeting through oral statements, documents or otherwise. A director may be removed for cause from his or her position upon the affirmative vote of at least two-thirds of the members of the Board that cause for removal has been shown. Cause, for the purposes of this Section of these Bylaws, shall mean fraudulent or dishonest acts, gross abuse of authority in the discharge of duties to the Cooperative, or clear inability to perform the duties of a director, and must be established after written notice of specific charges and the opportunity to meet and refute the charges. Also, the office of a director shall automatically become vacant if he or she misses as many as three (3) regular meetings of the Board during any twelve (12) consecutive such meetings, unless the remaining directors unanimously resolve that:

- (1) there was good cause for such absences; and
- (2) such cause will not likely result in such absences during the next ensuing twelve (12) consecutive regular Board meetings.

A newly elected director shall be from or with respect to the same Directorate District as was the director whose office he or she succeeds and shall serve the unexpired portion of the removed director's term.

Section 4.09. Removal of Directors by the Board of Directors

A director may be removed upon the affirmative vote of at least two-thirds (2/3rds) of the members of the Board of Directors. Any vacancy created by such removal shall be filled by the vote of the members at the next annual meeting of members, electing from among qualified candidates nominated by the Nominating Committee and by petition, in accordance with Section 4.06 of these Bylaws.

Section 4.10. Vacancies

Directors elected to fill vacancies shall be from the same Directorate District as the director whose office was vacated and shall serve for the unexpired term of the director whose office was vacated, and until his successor is elected and qualified. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, and with respect to the filling of vacancies caused by the removal of directors by the Board of Directors, any other vacancy occurring in the Board of Directors shall be filled by the Nominating Committee.

Section 4.11. Compensation; Expenses

For their services as such, directors shall, on a per diem basis, receive such compensation, which may include insurance benefits, as fixed by resolution of the Board of Directors. 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 close relative of a director shall be hired as an employee by the Cooperative, and no director shall receive compensation for serving the Cooperative in any other capacity, unless the employment of such relative or the service of such director is temporary and shall be specifically authorized by a vote of the members or such payment and amount shall be specifically authorized by the remaining directors upon their resolved determination that such was an emergency measure: PROVIDED, that 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 unanimous vote of the remaining directors. The Cooperative shall indemnify directors and may purchase insurance to cover such indemnification as provided for in Ga. Code Section 46-3-306.

Section 4.12. Rules, Regulations, Rate Schedules and Contracts

The Board of Directors 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 4.13. Accounting System and Reports

The Board of Directors 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 full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding 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 4.14. Subscription to Cooperative's Newsletter; Subscription to *Georgia Magazine*

For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Directors shall be authorized, on behalf of and for circulation to the members periodically, to subscribe to the Cooperative's Newsletter and to *Georgia Magazine*, the costs of which shall be treated in the same manner as would any other expense of the Cooperative.

Section 4.15. "Close Relative" Defined

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

**ARTICLE V
MEETING OF DIRECTORS**

Section 5.01. Regular Meetings

A regular meeting of the Board of Directors shall 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 of Directors shall also be held monthly at such date, time and place in one of the counties in Georgia within which the Cooperative serves, as the Board shall provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require special notice: PROVIDED, that 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 that, 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 of Directors may be called by Board resolution, by the Chairman, or by any six (6) 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 5.03. 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 served by the Cooperative unless all directors consent to its being held in some other place in Georgia or

elsewhere. Special meetings, upon proper notice as otherwise provided herein, may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if two-thirds (2/3rds) of the directors consent thereto.

Section 5.03. Notice of Directors Meetings

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 provided to each director not less than five (5) days prior thereto. Notice shall be provided either personally (by direct in-person communication or delivery, direct telephone conversation, or by confirmed receipt of e-mail, text message or other electronic communication), or indirectly (by United States mail), by or at the direction of the Secretary or, upon a default in this duty by the Secretary, by him or her or those calling it in the case of a special meeting, or by any director in the case of any meeting whose date, time and place have already been fixed by Board resolution. If mailed by United States mail, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his or her address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. The participation of a director in any meeting of the Board shall constitute a waiver of notice of such meeting unless such participation shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened.

Section 5.04. Quorum

The participation of a majority of the directors in office shall be required for the transaction of business, and the affirmative votes of a majority of the directors participating and voting shall be required for any action to be taken: PROVIDED, that 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 participating; AND PROVIDED FURTHER that, if less than a quorum be participating in a meeting, a majority of the directors participating may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the date, time and place of such adjourned meeting.

Section 5.05 Board Action by Unanimous Written Consent

The Board may also take an action required or permitted to be taken at a Board meeting if the action is: (a) specified in writing; and (b) accepted or adopted through a written or electronic signature affixed by each director eligible to vote on the action. All such written consents shall have the effect of, and may be described as, an action adopted by the Board at a meeting, and shall be included in the Cooperative's Board meeting minute book.

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 officers as may from time to time be determined by the Board of Directors. 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 by secret written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after each annual meeting of the members. 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 meeting of the Board first held after the next succeeding annual meeting of the members or until his or her successor shall have been duly elected and shall have qualified, subject to the provision of the Bylaws with respect to the removal of directors by the members and to the removal of officers by the Board of Directors. Any other offices may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities as the Board of Directors may from time to time deem advisable.

Section 6.03. Removal

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

Section 6.04. Vacancies

A vacancy in any office elected by the Board of Directors 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 Cooperative and shall preside at all meetings of the Board of Directors, and unless determined otherwise by the Board of Directors, at all Meetings of the members;
- (b) sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the 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 of Directors 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 or her by the Board of Directors.

Section 6.07. Secretary

The Secretary shall:

- (a) keep, or cause to be kept, the minutes of the meetings of the members and of the Board of Directors 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 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 as 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) have general charge of the books of the Cooperative in which a record of the members is kept;
- (f) 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
- (g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board of Directors.

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 securities as shall be selected in accordance with the provision 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 or her by the Board of Directors.

Section 6.09. Delegation of Secretary's and Treasurer's Responsibilities

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer herein before 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 officers' 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. General Manager and President/CEO

The Board of Directors may appoint a general manager, who may be, but who shall not be required to be, a member of the Cooperative, and who also may be designated President/CEO. Such person shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in him or her.

Section 6.11. Bonds

The Board of Directors shall require the Treasurer and 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 of Directors shall determine. The Board of Directors 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 4.11 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors. The Cooperative shall indemnify directors, officers, including the President/CEO, (and/or if so titled, the Executive Vice President) employees and agents and may purchase insurance to cover such indemnification as provided in Ga. Code Section 46-3-306.

**ARTICLE VII
FINANCIAL TRANSACTIONS**

Section 7.01. Contracts

Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer(s), agent(s) or employee(s) 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 and/or countersigned by such officer(s), agent(s) or employee(s) of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

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 financial securities or institutions as the Board of Directors may select.

**ARTICLE IX
NON-PROFIT ORGANIZATION**

Section 9.01. Non-Profit Operation

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members.

Section 9.02. Patronage Capital in Connection with Furnishing Electric Energy

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative shall not pay to patrons interest or dividends on the capital assigned to patrons.

Section 9.03. Patronage Capital - Accounts

The Cooperative shall allocate and credit to a capital account for each member all amounts in excess of operating costs and expenses. Notwithstanding any other provision of these Bylaws to the contrary, the Board of Directors, in its discretion, may allocate capital credits for any specific rate or class of members based upon rates and cost of service for that rate or that class of members.

Section 9.04. Patronage Capital – Status of Such – Security Interest

All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital. All such capital shall be held subject to the security interest provided in Section 9.11 below.

Section 9.05. Non-Operating Income – Allocation

All amounts received by the Cooperative from non-patronage sources 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 calendar year; and
- (b) To the extent not utilized for that purpose, and as determined by the Board of Directors, either allocated as capital credits to members in the same manner as the Cooperative allocates capital credited to the accounts of members, or used by the Cooperative as permanent, non-allocated capital.

Section 9.06. Patronage Capital – From Other Organizations

Notwithstanding any other provision of these Bylaws, the Board of Directors shall have the power to adopt rules providing for the separate accounting for and retirement of such other amounts of capital credited to the accounts of the Cooperative by other organizations in which the Cooperative is a member (“Affiliated Capital Credits”). Affiliated Capital Credits shall not be subject to retirement or other payment except for those Affiliated Capital Credits that have been unconditionally paid to, and received by, the Cooperative in cash.

Section 9.07. Patronage Capital – Dissolution

In the event of dissolution or liquidation of the Cooperative, to the extent that sufficient assets are available:

- (a) All debts and liabilities of the Cooperative shall be paid; then
- (b) All capital furnished through patronage shall be retired without priority on a pro rata basis; then
- (c) Any remaining property and assets of the Cooperative shall be distributed, to the extent possible, among the members and former members in the proportion which the aggregate patronage of

each bears to the total patronage of all members during the period of the Cooperative's existence PROVIDED, HOWEVER, that, if in the judgment of the Board the amount of such remaining assets 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 non-profit charitable or educational organizations that are exempt from Federal income taxation.

Section 9.08. Patronage Capital – Distribution Prior to Dissolution

If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part on a face value or present value basis, as determined by the Board of Directors.

Section 9.09. Patronage Capital – Early Distribution to Estates or Representatives of Deceased Members

Notwithstanding any other provisions of these Bylaws, the Board of Directors, in its discretion, shall have the power at any time upon the death of any natural person who is a member, if the legal representatives of such member's estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board of Directors shall require; PROVIDED, however, that the Board of Directors shall have determined that the financial condition of the Cooperative will not be thereby impaired. Terms and conditions applicable to early retirement of capital credits may include, without limitation, the requirement to repay any debt owed the Cooperative, the reduction of such amount to present value (i.e., deduction of sums designed to reflect the immediate payment of what is a future, contingent right), and the donation of all amounts which may remain after the reduction of Capital Credits to present value, any allocated but unpaid Affiliated Capital Credits, and any earned but unallocated Capital Credits for the current or prior calendar year.

Section 9.10. Patronage Capital – Distribution to Former Members

Notwithstanding any other provisions of these Bylaws, the Board of Directors, at its discretion, shall have the power, after the termination of a member's membership as provided in Article II of these Bylaws to retire capital credited to any such former member upon such terms and conditions as the Board of Directors, acting under policies of general application, shall establish; PROVIDED, however, that the Board of Directors shall have determined that the financial condition of the Cooperative will not be impaired thereby. Terms and conditions applicable to early retirement of capital credits may include, without limitation, the requirement to repay any debt owed the Cooperative, the reduction of such amount to present value (i.e., deduction of sums designed to reflect the immediate payment of what is a future, contingent right), and the donation of all amounts which may remain after the reduction of Capital Credits to present value, any allocated but unpaid Affiliated Capital Credits, and any earned but unallocated Capital Credits for the current or prior calendar year. The Board, in its sole discretion, shall at any time after the termination of any patron's membership, have authority to satisfy any

indebtedness owed to the Cooperative by retiring capital credited to such patron's account prior to the time such capital would otherwise be retired.

Section 9.11. Patronage Capital – Cooperative's Security Interest and Rights of Recovery

Notwithstanding any other provision of these Bylaws, all amounts credited to the capital account of any member pursuant to this Article, and any other sums held by the Cooperative which are payable or may become payable to such member, shall be held by the Cooperative subject to a security interest in favor of the Cooperative to secure the payment of all debts of such member to the Cooperative, whether for electric service or otherwise. The Cooperative may recoup, offset, or set off the amount of any such debt to the Cooperative from any amount which is payable from the Cooperative to such member or former member.

Section 9.12. Patronage Capital – Contract with Patrons

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.

Section 9.13. Patronage Capital – Board Discretion

The Cooperative may retire and pay Capital Credits and/or Affiliated Capital Credits only if the Board of Directors determines that the retirement and payment will not adversely impact the Cooperative's financial condition or its ability to meet its future obligations. Consistent with this Bylaw, the retirement and payment of Capital Credits and Affiliated Capital Credits are in the sole discretion of the Board of Directors and are not affected by previous retirements and payments. The Board of Directors shall determine the method, amount, basis, priority and order of allocation and retirement, if any, for all amounts heretofore and hereafter furnished as capital.

**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 of Directors, without requirement of the member's vote or consent, is empowered to authorize any sale, lease, lease-sale, exchange, transfer or other disposition of 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 instrument covering all or any part of the Cooperative's proper and assets, all as provided for in Ga. Code Section 46-3-400(a) and (b).

(b) The sale, lease, lease-sale, exchange, transfer or other disposition of all or substantially all of the Cooperative's properties and assets may be authorized and effectuated pursuant to the provisions of Ga. Code Section 46-3-401 and Section 11.02 of these Bylaws. Not in conflict with, or in lieu of, both rather as supplementary to such sections, the following procedures shall be followed in authorizing such a sale, lease, lease-sale, exchange, transfer or other disposition:

(1) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Superior Court Resident Judge for the Judicial District in Georgia in which the Cooperative's headquarters are located. If such judge refuses to make such designations, they shall be made by the Board of Directors.

(2) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric membership corporation corporately sited and operating in Georgia (which has not made the proposal for such sale, lease, lease-sale, exchange, transfer or disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric membership corporations, which notice shall be attached to a copy of the proposal which the Cooperative has already received and copies of the respective reports of three (3) appraisers. Such electric membership corporations shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.

(3) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall adopt a resolution recommending the sale and directing the submission of the proposal to a vote of the members, at a duly held member meeting, and shall so notify the members not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual member meeting, expressing in detail each of any such proposals, and shall call a special

meeting of the members for consideration thereof and action thereon, which meeting shall be held not less than ninety (90) nor more than one hundred twenty (120) days after the giving of notice thereof to the members: PROVIDED, that consideration and action by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is held not less than ninety (90) nor more than one hundred twenty (120) days after the giving of notice to such meeting.

(4) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days before the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all other members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric membership corporation(s) if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric membership corporation(s).

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 practicably determined by the Board of Directors and not inconsistently with the provisions of the third paragraph of Section 9.07 of these Bylaws, be distributed without priority among all persons who are or who have been members of the Cooperative for any period during its existence, on the basis that their respective patronage during such periods bear to the total receipts of the Cooperative since its inception: PROVIDED, HOWEVER, that, if in the judgment of the Board of Directors the amount of such surplus is too small to justify the expense of making such distribution, the Board of Directors may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more non-profit 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 September of each year and end on the last day of the month of August following.

ARTICLE XIII RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, or 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.

**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, "Seal, Douglasville, Georgia."

**ARTICLE XV
AMENDMENTS**

Subject to Georgia law, these Bylaws may be altered, amended or repealed by the affirmative vote of not less than a majority of the total directors in office at any regular or special Board meeting: provided that notice of such meeting (if not unanimously waived) shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof. The Board shall also maintain a policy establishing a process for the consideration of bylaw amendments proposed by members.