

# **Proposed Revisions to Grady EMC Bylaws**

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## **ARTICLE I MEMBERSHIP**

### **SECTION 1.1. ELIGIBILITY.**

Any individual or entity (“person”) with the capacity to enter a legally binding contract with Grady Electric Membership 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, the singular and plural, and the animate and inanimate.

A person, either individually or through an entity which is not legally separate from the person, may not hold more than one membership in the Cooperative. No more than one membership account may be associated with any service address unless the address is a multi-unit dwelling. Persons residing at the same service address may not hold separate memberships unless the address is a multi-unit dwelling.

### **SECTION 1.2. APPLICATION FOR MEMBERSHIP.**

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

- (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 1.3. JOINT MEMBERSHIP.**

Two or more persons, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a member, may automatically convert such membership into joint membership. The words "member", "applicant", "person", "his" and "him", as used in these Bylaws, shall include applicants applying for or holding a joint membership, unless

otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing:

- (a) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting;
- (b) the vote of either or both shall constitute, respectively, one joint vote: PROVIDED, that if both are present but in disagreement on such vote, each shall cast only one-half (1/2) vote;
- (c) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- (d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership;
- (e) each, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefore; and
- (f) neither will be permitted to have any additional service connections except through their one joint membership.

#### **SECTION 1.4. 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 member 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 1.5. ACCEPTANCE INTO MEMBERSHIP.**

Upon complying with the requirements set forth in Section 1.2, 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 1.6. EXCEPTIONS TO MEMBERSHIP APPLICATION PROCEDURES.**

Notwithstanding Sections 1.2 or 1.4 of these Bylaws, an eligible person shall automatically be a member of the Cooperative and consents to being a member upon:

- (a) initially using or requesting to use electric service provided by the Cooperative;
- (b) receiving written notice from the Cooperative that electric service has been or is to be provided by the Cooperative, which notice includes direction to where the Bylaws and Service Rules and Regulations may be accessed on the Cooperative's website, and contact information should a person wish to receive a printed copy thereof rather than accessing it on the Internet, and further states, in substance:
  - (1) that the person is automatically a member and is deemed to consent to being a member and bound by the Cooperative's bylaws and Service Rules and Regulations as they may be hereafter adopted or amended, upon initially using or requesting to use electric service provided by the Cooperative; and
  - (2) that unless the person notifies the Cooperative in writing within ten (10) days of the Cooperative providing such notice, that such person does not consent to being a member.



## **SECTION 1.7. RETROACTIVE MEMBERSHIP.**

If the Cooperative has been furnishing electric service to any non-member, it may cease furnishing such electric service unless such non-member applies for membership in the Cooperative and complies with the membership application procedures or becomes a member pursuant to Sections 1.4 and 1.6 of these Bylaws. 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 1.8. 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 all electrical distribution service needed for the member's service connections from the Cooperative. Members shall also pay any monthly fee the Cooperative charges, even if the fee is not directly related to the amount of energy used.
- (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, 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) cause all service connections receiving electric service to become and to remain wired in accordance with the specifications of the National Electric Code, any applicable state code or local government ordinances, and of the Cooperative;
- (g) provide such protective devices to his premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities.
- (h) 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;
- (i) 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 and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto at all reasonable times safely and

without interference from hostile dogs or any other hostile source, for meter reading, bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities; and

- (j) be the Cooperative's bailee of the Cooperative's facilities and 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.

#### **SECTION 1.9. INTERRUPTION OF SERVICE.**

The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous, uniform, and uninterrupted supply of electricity. If the supply of electricity is interrupted for fails because of an accident or otherwise, the interruption or failure shall not constitute a breach of the

contract for service or membership agreement. The Cooperative is not liable for damages, costs, or expenses, including attorney fees or legal expenses, caused by an interruption or failure of service or the Cooperative providing inadequate, noncontinuous, or fluctuating electric energy or other Cooperative services, unless the damages, costs, or expenses are caused by the Cooperative's gross negligence or willful misconduct.

#### **SECTION 1.10. LIMITATION OF LIABILITY IN DELIVERY OF SERVICE.**

The Cooperative's responsibility and liability for providing electric energy terminates at the service entrance to a member's premises. Therefore, the Cooperative shall not be responsible for the transmission or control of electrical energy beyond the meter. The Cooperative shall not be liable for unanticipated equipment failure. The Cooperative shall not be liable for damages or injury to person or property resulting from the Cooperative's ordinary negligence in the delivery of electric energy to a member's premises or from a member's receipt, use, or application of electrical energy. Members must agree to keep their machinery, lines, apparatus and appliances in a safe condition and to indemnify and hold the Cooperative harmless from court costs which it may be called upon to pay on account of damage to property or fatal or personal injuries to individuals resulting from or which may be in any way caused by the operation and maintenance of the machinery, lines, apparatus and appliances. However, neither the Cooperative nor the membership shall be liable for damage to the other's machinery, apparatus, or appliances caused by storm or lightning damage or manufacturing defects in the first party's machinery, apparatus, or appliances.

#### **SECTION 1.11. INSPECTION OF COOPERATIVE RECORDS.**

Consistent with O.C.G.A. § 46-3-271, any member requesting to inspect Cooperative records shall execute and be legally bound by a request for information affidavit and agreement approved by the Board and available upon request by any member to the Cooperative.

**ARTICLE II  
MEMBERSHIP SUSPENSION AND TERMINATION**

**SECTION 2.1. SUSPENSION; REINSTATEMENT.**

A membership will automatically be suspended if a member fails to pay any amounts due to the Cooperative or comply with all membership obligations in the time prescribed by the Board either a specific notice to the member or in the Cooperative's generally publicized applicable rules and regulations. The member shall not be entitled to receive electric service from the Cooperative, to cast a vote or to exercise any other right of membership during the period of the member's suspension. A member's membership shall be automatically reinstated if the member pays all amounts owed to the Cooperative, including any additional charges required for reinstatement, and/or complies with all membership obligations at or before the expiration time limit provided in a notice from the Board or in the Cooperative's rules and regulations. The member shall be entitled to receive electric service from the Cooperative, to vote and to exercise any other right of membership upon reinstatement.

**SECTION 2.2. TERMINATION BY EXPULSION; RENEWED MEMBERSHIP.**

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

**SECTION 2.3. TERMINATION BY WITHDRAWAL, NON-USE OR DESIGNATION.**

A member may withdraw from membership upon compliance with such terms and conditions for withdrawal as the Board of Directors shall establish. The Board of Directors may terminate any member that has not purchased electricity from the Cooperative for a period of six (6) consecutive months.

**SECTION 2.4. TERMINATION BY DEATH OR CESSATION OF EXISTENCE; CONTINUATION OF MEMBERSHIP IN REMAINING OR NEW PARTNERS.**

Except as provided in Section 2.6, membership automatically terminates upon death, legal dissolution, or legal cessation of existence. Except as otherwise provided by the Board, the membership of a partnership continuing to use electricity provided by the Cooperative is not terminated upon the death of a partner or following any other alteration in the partnership. A partner leaving a partnership remains liable to the Cooperative for all service provided to or for the partnership before, and amounts owed to the Cooperative by the partnership, at the time of the partner leaves the partnership.

**SECTION 2.5. EFFECT OF TERMINATION, EXPULSION, OR SUSPENSION.**

Termination of a membership does not release the former member, the former member's estate, or the former member's successor(s) in interest from debts, liabilities, or obligations the former member owed to the Cooperative. Upon the termination of membership, a former member, the former member's estate, or the former member's successor(s) in interest, shall be entitled to a refund of the membership fee and service security deposit, if any, previously paid the Cooperative, less any amounts owed to the Cooperative. Except as otherwise provided by the Board, suspension or expulsion of a member shall not, release the member from its membership obligations.

**SECTION 2.6. EFFECT OF DEATH, AND REQUEST FOR TERMINATION OF A JOINT MEMBERSHIP.**

Upon the death of any person who is a part of a joint membership, such membership shall continue to be held solely by the surviving persons in such joint membership: PROVIDED, that the estate of the deceased joint member shall not be released from any debts due the Cooperative. When one or more persons sharing a joint membership request to be removed from the joint membership, the joint membership shall, in accordance with rules established by the Board,

either: (a) continue to be held solely by the one or more persons who continue directly to occupy or use the premises covered by such membership; or (b) be terminated and any person or persons desiring to continue service to the premise may submit an application for service pursuant to these Bylaws: PROVIDED, HOWEVER, that no person shall be released from any debts owed the Cooperative unless the Cooperative releases the debts in writing. The Board shall reallocate all patronage capital allocated to any joint membership to the member continuing to own or occupy the premises unless the parties to the joint membership mutually agree to a different allocation in writing.

**SECTION 2.7. BOARD ACKNOWLEDGMENT OF MEMBERSHIP TERMINATION; ACCEPTANCE OF MEMBERS RETROACTIVELY.**

The Board shall formally acknowledge every membership termination by resolution as soon as practicable after the Board learns of the termination. The termination shall be effective as of the date the Cooperative stopped furnishing electric service to the member.

**ARTICLE III  
MEETINGS OF MEMBERS**

**SECTION 3.1. ANNUAL MEETING.**

The Cooperative shall hold its annual meeting of the members each October in the Cooperative's service area. The Board must determine the date, time, and location of the annual meeting. At the annual meeting, members may elect directors, hear reports covering the previous fiscal year, and transact other business which may be properly considered. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative or affect any action taken by the Cooperative.

**SECTION 3.2. SPECIAL MEETINGS.**

The Cooperative shall hold a special meeting of the members upon receiving: (1) a written or oral request from the Board or the President/Chief Executive Officer; (2) a written

request signed by any four directors; or (3) a petition signed by not less than ten percent (10%) of the then total members of the Cooperative setting forth in writing a written demand, requesting the special meeting and describing the meeting's purpose. The Secretary shall provide notice of the special meeting pursuant to Section 3.3. The Board shall determine the date, time, and location of the special meeting PROVIDED: the meeting must be held within the Cooperative's service area and cannot be held sooner than forty (40) days after the call for such meeting is made or a petition is filed.

### **SECTION 3.3. 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 O.C.G.A. §§ 46-3-382, 46-3-383, 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 the members calling the meeting). Reasonable means of providing such notice shall include but not be limited to United States mail, personal delivery, electronic delivery, the Cooperative's monthly newsletter and/or its monthly insert, if any, in "Rural Georgia," 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 3.4. QUORUM.**

Business may not be transacted at any meeting of the members unless at least one hundred fifty (150) members present in person at the meeting, except that if a quorum is never established, a majority of those present in person may adjourn the meeting to another time and date not less than thirty (30) days later and to any location in the Cooperative's service area without further notice: PROVIDED, that the Secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.3. Members who cast absentee ballots as provided in Sections 3.5 and 4.7 also shall be counted as present in person at the meeting when determining the quorum for conducting that election. The Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present at all meetings of the members, regardless of whether a quorum is present. Once quorum is established, a quorum shall be deemed constituted throughout the remainder of the meeting, regardless of the physical presence of members thereafter.

### **SECTION 3.5. VOTING.**

Each member, who is not in a status of suspension as provided for in Section 2.1, 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 the presentation to the Cooperative, prior to or upon registration, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws.

A member may vote via absentee ballot on any matter, which could be considered at any meeting of the members, including the election of directors as set forth in Section 4.7 and bylaw amendments, provided that (a) the manner of voting on such matter is authorized by a Board resolution adopted prior to the members' meeting, (b) such a vote is in writing on forms or through electronic means approved by the Board, and (c) the vote is signed or otherwise confirmed by the member electronically or in writing. A member who has voted by absentee shall only be entitled to vote at the meeting of the members on matters which were not contained on the absentee ballot.

If the Board has authorized absentee balloting, a member may place on an absentee ballot a matter which could be considered at any meeting of the members by filing such request for vote by absentee ballot in writing with the Cooperative's Secretary, together with a petition signed by ten percent (10%) of the members, provided that said petition is submitted no less than 40 days prior to the meeting at which such issue is to be considered.

Voting by proxy or cumulative voting is prohibited.

### **SECTION 3.6. ELECTION COMMITTEE.**

- (a) The Board shall appoint an Election Committee not less than sixty (60) days before the Annual Meeting. The Committee shall consist of at least three (3) members 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 defined in Section 4.15. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative.
- (b) With respect to member voting and the Annual Meeting, the Elections Committee shall have the authority and responsibility:
- (1) to establish rules governing member registration, the distribution of absentee ballots, and voting;
  - (2) to rule upon all questions that may arise relating to member registration, voting and the election of directors, including, without limitation:
    - (i) ruling upon any dispute or question concerning the validity of petitions of nomination and the eligibility of candidates for election to the Board;
    - (ii) supervising the preparation and distribution of ballots for contested director elections;
    - (iii) ruling upon any dispute or question concerning the eligibility of any individual seeking to register at the Annual Meeting or to obtain an absentee ballot, whether for a personal membership or on behalf of the membership of an artificial entity;
    - (iv) ruling upon the effect of any ballots or votes irregularly marked or cast;
- and

(v) tabulating, or providing for an independent third party to tabulate, all ballots cast.

(3) to establish rules governing director election campaigns, and to interpret and enforce such rules;

(4) to serve as arbitrators for any protest relative to whether an individual is qualified to run for director, the registration of members, the campaign activities of candidates or others, the distribution and processing of ballots, and any vote count.

### **SECTION 3.7. 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:

- (a) Report on the number of members present in person, in order to determine the existence of a quorum;
- (b) 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;
- (c) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
- (d) Presentation and consideration of reports of officers, directors and committees;
- (e) Report on the election of directors;
- (f) Unfinished business;
- (g) New business; and
- (h) 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 4.1. NUMBER AND GENERAL POWERS.**

The business and affairs of the Cooperative shall be managed by a Board of seven (7) 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 or recommendatory capacity to the Board.

### **SECTION 4.2. DIRECTOR QUALIFICATIONS.**

A Director or Director candidate must comply with these Bylaws. The Cooperative or the Board may conduct an investigation or require information to determine compliance with these Bylaw. To become and remain a Director, a person must comply with all of the following qualifications. A person must:

- (a) be an individual;
- (b) be at least 18 years old;
- (c) have the capacity to enter legally binding contracts;
- (d) be lawfully present in the United States of America;
- (e) be a member in good standing;

- (f) have never been previously removed or disqualified as a Director;
- (g) have never been convicted of a felony or a crime of moral turpitude;
- (h) be a member for the service connection supplying his or her primary residential abode in the Directorate District in which they reside for at least six (6) months prior to becoming a director and during their tenure in office, if elected;
- (i) have no significant financial interest in a substantially competing enterprise or business selling electric energy or supplies to the Cooperative;
- (j) not be a Close Relative, as defined in Section 4.15, of an incumbent director or Cooperative Executive, as defined Section 6.2 of these Bylaws;
- (k) not be a current employee of the Cooperative or a former employee within the year immediately preceding the annual meeting at which such person is a candidate for director;
- (l) who is not, at the time of his election to the Board, or after his election to the Board, an adverse party to the Cooperative and/or any of the Cooperative's directors, officers, or employees in their official capacity, in a lawsuit or other civil action, complaint, or administrative proceeding, in connection with a matter relating to or arising out of the activities or business of the Cooperative;
- (m) receive a Credentialed Cooperative Director designation, Director's Certificate, or similar designation or certification from the National Rural Electric Cooperative Association within three years of becoming a Director unless excused by the Board for good cause; and
- (n) attend at least two-thirds of all Board meetings during each twelve month period unless excused by the Board for good cause.

The operating or chief executive of any member which is not a natural person, such as a corporation, church, etc., or his designee, shall be eligible to become a director, from the Directorate District in which such member is located, notwithstanding the fact that he does not receive service from the Cooperative at his primary residential abode, if: (1) the entity member owns, occupies, or uses the premises at the entity's service connection, and (2) the operating or chief executive officer or designee is a permanent and year-round resident within or in close proximity to an area served by the Cooperative. BUT PROVIDED that no more than one (1) such person may serve on the Board of Directors at the same time.

Notwithstanding the foregoing provision of this Section regarding relationships with Close Relatives, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if the director becomes a Close Relative of another incumbent director or a Cooperative Executive because of a marriage to which the director was not a party.

#### **SECTION 4.3. TENURE.**

Directors shall be so nominated and elected that one director from or with respect to Directorate Districts Nos. 1, 4 and 7 shall be elected for three-year terms at an annual member meeting in 2021; one director from or with respect to Directorate Districts Nos. 2 and 5 shall be elected for three-year terms at the next succeeding annual member meeting in 2022; one director from or with respect to Directorate District Nos. 3 and 6 shall be elected for three-year terms at the next succeeding annual member meeting in 2020, and so forth. 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 or 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 4.4. TERM LIMITS.**

No person shall be elected to more than seven (7) consecutive three-year terms as a Director. Periods in which a person is appointed or elected to fill an unexpired term do not count towards the term limit established by this Section.

#### **SECTION 4.5. DIRECTORATE DISTRICTS.**

The territory served by the Cooperative shall be divided into seven (7) Directorate Districts. Each District shall be represented by one (1) director, and the Districts are described, as follows:

District No. 1. Bounded South by the Seaboard Coast Line right-of-way, West by the Flint River, North by Mitchell-Decatur and Mitchell-Grady County lines, and East by Georgia State Highway No. 112 (Hawthorne Trail).

District No. 2. Bounded South by Seaboard Coast Line right-of-way, West by Georgia State Highway No. 112 (Hawthorne Trail), North by the Mitchell-Grady and Mitchell- Thomas County lines, and East by U. S. Highway No. 19 (Thomasville, Ochlocknee-Meigs Highway).

District No. 3. Bounded South by Georgia State Highway No. 122 (Thomasville-Pavo Highway), West by U. S. Highway No. 19 (Thomasville, Ochlocknee-Meigs Highway), North by Mitchell-Thomas and Thomas-Colquitt County lines, and East by Thomas-Brooks County line.

District No. 4. Bounded South by Thomas and Grady County lines (Georgia-Florida State line), West by U. S. Highway No. 319 (Thomasville-Tallahassee Highway), and North by Georgia State Highway No. 122 (Thomasville-Pavo Highway), and East by Thomas- Brooks County lines.



District No. 5. Bounded South by Grady and Decatur County lines (Georgia and Florida State line), West by Climax-Amsterdam Road, south to Georgia-Florida State line, North by Seaboard Coast Line right-of-way, and East by Georgia State Highway No. 111 from Cairo to a point south of Reno where the Old Cairo-Calvary Highway leaves State Highway No. 111 and following the Old Cairo-Calvary Highway into Calvary to a point where the Old Cairo-Calvary Road turns west and from this point follow a county road south to the Georgia and Florida State line.

District No. 6. Bounded South by Grady County line (Georgia and Florida State line), West by Georgia State Highway No. 111 from Cairo to a point south of Reno where the old Cairo-Calvary Highway leaves State Highway No. 111 and following the Old Cairo-Calvary Highway into Calvary to a point where the Old Cairo-Calvary Road turns west and from this point follow a county road south to the Georgia and Florida State line, North by Seaboard Coast Line right-of-way, and East by U.S. Highway No. 319 (Thomasville Tallahassee Highway.)

District No. 7. Bounded South by Decatur County line (Georgia and Florida State line), West by Flint River, North by Seaboard Coast Line right-of-way, and East by Climax-Amsterdam Road, south to the Georgia and Florida State line.

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 to 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 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 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 that 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 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 there- to in writing.

#### **SECTION 4.6. NOMINATIONS.**

- (a) The Board shall appoint, not less than ninety (90) days nor more than one hundred twenty (120) days before the date of the meeting at which members of the Board are to be elected, a committee on nominations, consisting of not less than five (5) nor

- more than eleven (11) members who shall be selected so as to give equitable representation on the Committee for the geographical areas served by the Cooperative (the “Nominating Committee”). The committee shall meet and nominate not less than one (1) nor more than two (2) qualified member(s) for each seat on the Board for which a vacancy will occur by the next Annual Meeting. Such nominations shall be posted at the principal office of the Cooperative at least seventy-five (75) days before the meeting.
- (b) In addition, any fifty (50) or more members of the Cooperative acting together may make additional nominations in writing submitted to the Secretary of the Cooperative not less than sixty (60) days prior to the meeting (the “Nominating Petition”), and the Secretary shall post such nominations at the same place where the list of nominations made by the Committee is posted. The Nominating Petition shall: (1) list on each page of the Nominating Petition the name of the proposed nominee; (2) indicate on each page of the Nominating Petition the Director position for which the proposed nominee will run; and (3) contain the printed names, addresses, telephone numbers and original dated signatures signed within sixty (60) days of the first signature.
- (c) The Cooperative shall include in the notice of the meeting a statement of the number of Directors to be elected and showing separately the nominations made by the Nominating Committee and the nominations made by petition, if any. If there is a contested election, the Cooperative shall also provide in the notice of the meeting an explanation of how members may obtain and cast an absentee ballot.
- (d) At the Member Meeting, no nominations may be made from the floor except that such nominations may be made and shall be allowed for any position to be filled for

which there would not otherwise be any eligible nominee. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board after the election of Directors.

#### **SECTION 4.7. MANNER OF VOTING FOR AND ELECTION OF DIRECTORS**

(a) Directors shall be elected to fill the seats for those Directors whose terms are expiring at each Annual Meeting.

(1) **District Voting.** Regardless of whether voting at a meeting of the members or by another manner approved by the Board, when voting in an election of directors, the members eligible to vote for any particular Director candidate shall be limited to those members having service connections within the candidate's Directorate District. If a member has service connections in more than one Directorate District, the member's vote shall be cast for the Directorate District in which the service connection for the member's primary residential abode is located. If the member is not a natural person, then the vote shall be cast for the Directorate District in which the member pays the highest amount of revenue for electric service.

(b) Voting for election of Directors shall be by secret ballot; 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. Contested elections shall be conducted by a combination of absentee ballots, and ballots distributed and cast at the Annual Meeting.

- (c) When there is a contested director election, members may, in lieu of casting a ballot at the Annual Meeting, obtain and cast an absentee ballot prior to the Annual Meeting. The Elections Committee shall establish and publish the procedures for obtaining, certifying, returning, verifying and tabulating absentee ballots. These procedures shall, at a minimum, permit members to cast absentee ballots starting thirty (30) days prior, and ending ten (10) days prior, to the Annual Meeting. A member who returns an absentee ballot shall not be permitted to vote in the same election while at the Annual Meeting.
- (d) Balloting in contested elections at the Annual Meeting shall begin not less than one and one-half hours (1½) and not more than (3) hours prior to the commencement of the business session of the Annual Meeting with the report on the number of members present in order to determine the existence of a quorum. Ballot boxes shall be opened and maintained until the commencement of the business session of the Annual Meeting. Upon commencement of the business session, an announcement shall be made that the voting shall come to a close. Those members in line to register and vote at the time the announcement is made to close the voting shall be allowed to vote.
- (e) Directors shall be elected by a majority vote of the members casting ballots from their Directorate District. Should no candidate receive a majority vote, then a run-off ballot shall be taken between the two candidates receiving the greatest number of votes. The run-off election shall be conducted within thirty (30) days by absentee ballot in the manner the Board prescribes.

#### **SECTION 4.8. REMOVAL OF DIRECTORS BY MEMBERS.**

Any member may bring one or more charges for cause against any one or more directors 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 per cent (10%) 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 their membership is held by the Cooperative and shall state the signatory's address as the same appears on the Cooperative's membership records. 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) 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 in respect of 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 newly elected director shall be from or with respect to the same Directorate District as was the director whose office he succeeds and shall serve the unexpired portion of the removed director's term.

#### **SECTION 4.9. DIRECTOR REMOVAL OF DIRECTORS FOR INELIGIBILITY.**

If at any time a director does not meet all qualifications established in Section 4.2 of these Bylaws, then, except as otherwise provided by the Board for good cause, the Board may disqualify the director and remove the individual from office by a majority vote. The procedure for removal under this section shall be as follows:

- (a) The Board must notify the director in writing or electronically of any allegation the director does not meet any qualification and the basis of the allegation. The Board must give the director an opportunity to comment on the allegation.
- (b) The director in question will have five (5) days to satisfy Section 4.2. If the director does not meet all qualifications within 5 days, the Board may remove the director from office by majority vote.

Any votes cast by a director who is removed or disqualified under this Section are valid.

#### **SECTION 4.10. DIRECTOR REMOVAL OF DIRECTORS FOR CAUSE.**

- (a) The Board has the ability to remove a director from office by majority vote for cause.

As used in this Section, "cause" includes, but is not limited to:

- (i) breaches of fiduciary duty;
- (ii) breaches of the confidentiality of executive session;
- (iii) breaches of the attorney-client privilege; or
- (iv) any other conduct unbecoming of a Director of Grady EMC.

(b) The procedure for removing a director for cause shall be as follows:

- (1) A majority of the Board must sign and file the charge(s) and a petition for removal with the Secretary in writing.
- (2) The Board shall set a special board meeting to hear and act on any charge(s) not sooner than 40 days after the Secretary receives the charge(s) and petition.
- (3) The Secretary shall notify the charged Director of the charge(s) in writing and provide the director a verbatim copy of the charge(s) at least 20 days prior to the board meeting.
- (4) The Directors bringing the charge(s) has the right to be heard first at the board meeting. The Directors bringing the charge(s) may be heard in person, by witnesses, by counsel, or by any combination thereof. The Directors bringing the charge(s) shall also have the right to present evidence of any charge(s).
- (5) The charged Director shall have an opportunity to be heard at the board meeting in person, by witnesses, by counsel, or by any combination thereof. The charged Director shall also have the right to present evidence against any charge(s).

(c) If multiple Directors are charged, the Board shall vote on removal of each Director separately.



(d) A Director may not be removed for cause unless there is some evidence supporting a charge.

(e) Any votes cast by a Director who is removed or disqualified under this Section are valid.

#### **SECTION 4.11. VACANCIES.**

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

#### **SECTION 4.12. COMPENSATION; EXPENSES.**

For their services as such, Directors shall, on a per diem basis, receive such compensation, which may include insurance and retirement benefits, as is 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 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 upon their resolved determination that such was an emergency measure or unless such service or employment is approved by a majority of the other directors: 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 O.C.G.A. § 46-3-306.

**SECTION 4.13. 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 4.14. 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 4.15. "CLOSE RELATIVE" DEFINED.**

As used in these Bylaws, "Close Relative" means a person who: (1) by blood, including half, foster, step and adoptive kin, is either a spouse, partner, child, parent, brother, or sister, of the principal; or (2) resides in the same residence of the principal. No Close Relative of a Director shall be employed as a Cooperative Executive. Close Relatives of Directors may

otherwise be employed by the Cooperative, but the Director to whom the employee is related shall recuse themselves from all Board decisions directly pertaining to their Close Relative.

**SECTION 4.16. DIRECTORS' AFFIRMATIVE DUTY TO DISCLOSE CLOSE RELATIVES; RECUSAL**

Directors have an affirmative duty to disclose their relationship to any Close Relative who is being considered for an appointment to serve as a Cooperative Executive.

**SECTION 4.17. PRESUMPTION OF GOOD FAITH ACTION.**

There is a presumption director's decisions are made in good faith and after the director exercised ordinary care in the deliberative process leading to those decisions. This presumption may be rebutted by evidence that such process constitutes gross negligence by being a gross deviation of the standard of care of a director in a like position under similar circumstances.

**ARTICLE V  
MEETINGS OF DIRECTORS**

**SECTION 5.1. REGULAR MEETINGS.**

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 therefore 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 5.2. SPECIAL MEETINGS.**

Special meetings of the Board of Directors may be called by Board resolution, by the Chairman, or by any four (4) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.3. The Board, the Chairman, or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties in Georgia within which the Cooperative serves, unless all directors consent to its being held in some other place in Georgia or elsewhere. Special meetings, 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 all the directors consent thereto.

## **SECTION 5.3. NOTICE OF DIRECTORS MEETINGS.**

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

#### **SECTION 5.4. QUORUM.**

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

#### **SECTION 5.5. EXECUTIVE SESSION.**

The Board may, in its discretion, exclude any person from a meeting and convene the meeting in Executive Session when appropriate, including, but not limited to, when it is necessary to consider:

- (a) Matters requiring advice of legal counsel, including but not limited to, advice about anticipated or pending litigation, settlement offers, and interpretation of the law;
- (b) Matters relating to purchase, exchange, lease, or value of real property or other assets where such deliberations outside of Executive Session could have a detrimental effect on the Cooperative;
- (c) Matters relating to the negotiation of contracts and other financial and business negotiations, where such deliberations outside of Executive Session could have a detrimental effect on the Cooperative;

- (d) Personnel matters, including hearing a complaint or charge(s) against a Director, Cooperative officer, employee, or consultant, and deliberations on individual personnel discipline, compensation, or benefits;
- (e) Matters of a competitive nature, including trade secrets, confidential commercial information and other utility-related matters that the Board, in good faith, determines are related to the Cooperative's competitive position and that would, if disclosed, give an advantage to individuals or entities who have sought or are likely to seek the business of, or the dissolution, takeover or sale of the Cooperative, or would adversely affect the Cooperative's ability to competitively sell or purchase goods and services;
- (f) Matters related to the security of Cooperative assets, including without limitation, issues relating to security of electrical, communications, data or security systems, including, but not limited to, security personnel, security devices, and security audits; and
- (g) Matters related to the confidential or privileged information of individuals.

Minutes of Executive Sessions shall be confidential and may be released only upon approval of the Board or upon receipt of an appropriate and unappealable court order. All final decisions from Executive Session will be reported in the regular Board Minutes.

## **ARTICLE VI OFFICERS AND EXECUTIVES; MISCELLANEOUS**

### **SECTION 6.1. OFFICERS OF THE BOARD OF DIRECTORS.**

The Board of Directors shall elect from its membership the following Officers: Chairman, Vice-Chairman, Secretary, Treasurer. The offices of Secretary and Treasurer may be

held by the same person. The Board may establish additional offices as it sees fit from time to time.

## **SECTION 6.2. COOPERATIVE EXECUTIVES.**

If approved and hired by the Board, the day-to-day operations of the Cooperative shall be performed and overseen by the following Cooperative Executives: President/Chief Executive Officer, Chief Internal Operations, Chief External Operations, Chief Financial Officer, Manager of Engineering, and Manager of Marketing & Member Services. Cooperative Executives may not serve on the Board.

## **SECTION 6.3. ELECTION AND TERM OF OFFICE.**

The Officers of the Board shall be elected annually and without prior nomination, by and from the Board at the first meeting of the Board held in November after the Annual Meeting. If Officers are not elected at this Board meeting, it shall be held as soon thereafter as convenient. Each such officer shall hold office until the next succeeding November Board meeting or until his/her successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of directors by the members and to the removal of Officers by the Board. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board may from time to time deem advisable. When necessary, tie votes for any of the Officers named in Section 6.1 shall be resolved by drawing of lots.

## **SECTION 6.4. REMOVAL.**

Any officer, agent or employee elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served. This Section specifically applies to Board Officers and Cooperative Executives.

**SECTION 6.5. VACANCIES.**

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

**SECTION 6.6. CHAIRMAN.**

The Chairman shall:

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

**SECTION 6.7. VICE-CHAIRMAN.**

In the absence of the Chairman, or in the event of the Chairman's inability or refusal to act, the Vice-Chairman shall perform the duties of the Chairman. The Vice-Chairman shall have all the powers of and be subject to all the restrictions upon the Chairman when acting as Chairman. The Vice-Chairman shall also perform such other duties as the Board may assign to him from time to time.

**SECTION 6.8. SECRETARY.**

The Secretary shall:



- (a) keep, or cause to be kept, the minutes of meetings of the members and of the Board in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and to all documents the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law;
- (d) keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member;
- (e) 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 the Secretary and such other duties as from time to time may be assigned to him by the Board.

#### **SECTION 6.9. 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
- (c) Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and
- (d) perform all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him by the Board.

**SECTION 6.10. DELEGATION OF SECRETARY'S AND TREASURER'S RESPONSIBILITIES.**

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.8 and 6.9, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such officer's such duties to one or more agents, including but not limited to legal counsel, and other Cooperative Executives or employees who are not directors. To the extent that the Board delegates with respect to either such Officer, that Officer as such shall be released from such duties, responsibilities and authorities.

**SECTION 6.11. PRESIDENT/CHIEF EXECUTIVE OFFICER.**

The Board may appoint a President/Chief Executive Officer to serve as a chief executive and oversee the Cooperatives day-to-day operations. The President/Chief Executive Officer may be, but is not required to be, a member of the Cooperative. The President/Chief Executive Officer shall perform such duties as the Board may from time to time require and shall have such authority as the Board may from time to time vest in it. The Board shall establish and maintain a written description of the President/Chief Executive Officer's duties and authorities. The Board

shall review, and as appropriate revise, the written description of the President/Chief Executive Officer's and shall from time to time.

**SECTION 6.12. PROHIBITION ON CLOSE RELATIVES SERVING AS COOPERATIVE EXECUTIVES.**

Any person who is a Close Relative of a sitting Director shall be ineligible to become a Cooperative Executive.

**SECTION 6.13. BONDS.**

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

**SECTION 6.14. INDEMNIFICATION.**

The Cooperative shall indemnify directors, Cooperative Executives, employees and agents and may purchase insurance to cover such indemnification as provided in O.C.G.A. § 46-3-306.

**ARTICLE VII  
CONTRACTS, CHECKS AND DEPOSITS**

**SECTION 7.1. CONTRACTS.**

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

## **SECTION 7.2. CHECKS, DRAFTS, ETC.**

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

## **SECTION 7.3. 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 VIII NON-PROFIT OPERATION**

## **SECTION 8.1. NON-PROFIT OPERATION.**

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members as set forth in these Bylaws.

## **SECTION 8.2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY.**

In the furnishing of electric energy the Cooperative's operations shall so be conducted that all members 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 allocate all amounts received and receivable from the furnishing of electric energy in excess of operating cost and expenses properly chargeable against the furnishing of electric energy to its members on a patronage basis. 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. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

### **SECTION 8.3. PATRONAGE CAPITAL – ACCOUNTS.**

The Cooperative shall allocate and credit to a capital account for each member all such amounts in excess of operating cost and expenses attributable to that patron's activity. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each calendar year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member. The Cooperative shall within reasonable time after the close of the calendar year notify each member of the amount of capital so credited to his account. 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 8.4. PATRONAGE CAPITAL – STATUS OF SAME – 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 8.9 below.

### **SECTION 8.5. PATRONAGE CAPITAL – FROM OTHER ORGANIZATIONS.**

Notwithstanding any other provision of these Bylaws, the Board shall have the power to adopt rules providing for the separate allocation and retirement of 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 retired to Members until and unless such Affiliated Capital Credits have been paid to the Cooperative.

**SECTION 8.6. 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 proportion to the aggregate patronage of each bears to the total patronage of all members during the period of the Cooperative's existence.

**SECTION 8.7. PATRONAGE CAPITAL – DISTRIBUTION PRIOR TO DISSOLUTION.**

If, at any time prior to dissolution or liquidation, the Board of Directors, in its discretion, utilizes its business judgment and determines that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' or former members' accounts may be retired in full or in part. The Board, the Cooperative, and the members explicitly acknowledge and agree, consistent with the legal precedent established in *Walker v. Oglethorpe Power Co.*, 341 Ga. App. 647 (2017), these Bylaws create no obligation for the Board to retire patronage capital except upon dissolution.

**SECTION 8.8. 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, has 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 set-off 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 8.9. PATRONAGE CAPITAL - COOPERATIVE'S SECURITY INTEREST AND RIGHT TO SET-OFF.**

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 Cooperative therein 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 8.10. PATRONAGE CAPITAL – CONTRACT WITH MEMBERS AND FORMER MEMBERS.**

The members 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 member, and both the Cooperative and the members are bound by such contract, even after the member ceases to be a member and becomes a former

member, as fully as though each patron had individually signed a separate instrument containing such terms and provisions.

**SECTION 8.11. 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 IX  
NOTICE**

**SECTION 9.1. 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.

**SECTION 9.2. FAILURE OF NOTICE.**

The failure of a member or Director to receive notice of a Meeting, action, or vote does not affect or invalidate an action or vote taken by the members or Board.

**ARTICLE X  
DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS  
ASSETS ON DISSOLUTION**

**SECTION 10.1. DISPOSITION AND PLEDGING OF PROPERTY.**

(a) the Cooperative’s Board of Directors, without requirement of the members’ 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 instruments covering all or any part of the Cooperative's property and assets, all as provided for in O.C.G.A. § 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 O.C.G.A. § 46-3-401 and Section 8.7 of these Bylaws. Not in conflict with, or in lieu of, but 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 the 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 thereof 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) days 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) days nor more than one hundred twenty (120) days after the giving of notice of 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 corporations if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more electric membership corporation.

#### **ARTICLE XI FISCAL YEAR**

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

#### **ARTICLE XII RULES OF ORDER**

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

**ARTICLE XIII  
SEAL**

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

**ARTICLE XIV  
AMENDMENTS**

Subject to the provisions of GA. Code Section 46-3-325, these Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors at any regular or special meeting provided that notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal. These bylaws may also be altered, amended or repealed by the affirmative vote of a majority of the members at any duly constituted meeting of the members, provided however that no change in the bylaws, whether in whole or in part, may be considered which has not been filed with and posted in the offices of the Cooperative at least sixty days prior to the date of any annual or special meeting of the members. The notice of the next meeting of the members occurring at least sixty days after the filing of a proposed by-law change to be submitted to the members shall notify the members that an alteration, amendment or repeal of the bylaws shall be considered at the meeting, and that a copy of such alteration, amendment or repeal to the bylaws may be seen and reviewed in the business office of the Cooperative during regular business hours.