

SOUTH ALABAMA ELECTRIC COOPERATIVE

The aim of South Alabama Electric Cooperative (herein referred to as “Cooperative”) is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

BYLAWS

ARTICLE I MEMBERSHIP

Section 1. Requirements for Membership. Any person, firm, association, corporation or body politic or subdivision thereof may become a member in South Alabama Electric Cooperative (hereinafter called the “Cooperative”) by:

- (a) filing a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the articles of conversion and bylaws of the Cooperative and any rules and regulations adopted by board of trustees (herein referred to as the “Board” or “Board of Trustees”) and
- (d) paying the membership fee herein specified; provided however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he or it has been accepted for membership by the Board of Trustees or the members. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable.

At each meeting of the members held subsequent to the expiration of a period of six months from the date of incorporation of the Cooperative, all applications received more than ninety days prior to such meeting and which have not been accepted or which have been rejected by the Board of Trustees shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements hereinabove set forth, such applications or any one or more of them may be accepted by vote of the members. The Secretary shall give each such applicant at least ten days notice of the date of the member’s meeting to which his application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

Section 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board of Trustees. Such certificate shall be signed by the President and by the Secretary of the Cooperative, and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed in these bylaws, nor until such membership fee has been fully paid in cash. In case of a loss, mutilated or destroyed certificate, a new certificate may be

issued therefor upon such uniform terms and indemnity to the Cooperative as the Board of Trustees may prescribe.

Section 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term “member” as used in these bylaws shall be deemed to include a husband and wife holding a joint membership, and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- (a) the presence at a meeting of either or both shall be regarded as the presence of one member;
- (b) the vote of either separately or both jointly shall constitute one joint vote;
- (c) a waiver of notice signed by either or both shall constitute a joint waiver;
- (d) notice to either shall constitute notice to both;
- (e) expulsion of either shall terminate the joint membership;
- (f) withdrawal of either shall terminate the joint membership;
- (g) either but not both may be elected or appointed as an officer or trustee, provided that both meet the qualifications for such office.

Section 4. Conversion of Membership. A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of conversion, bylaws and rules and regulations adopted by the Board of Trustees. The outstanding membership certificate shall be surrendered and shall be reissued by the cooperative in such manner as shall indicate the changed membership status.

Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered and shall be reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

Section 5. Membership and Service Connection Fees. The membership fee shall be five dollars, upon the payment of which a member shall be eligible for one service connection. An additional fee of five dollars shall be charged for each additional residential service connection.

Section 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises specified in his application for membership, and shall pay therefor monthly at rates which shall from time to time be fixed by the Board of Trustees; provided, however,

that the Board of Trustees may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Trustees from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same becomes due and payable.

Section 7. Termination of Membership. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two thirds of all the trustees, expel any member who shall have refused or failed to comply with any of the provisions of the articles of conversion, bylaws or rules or regulations adopted by the Board of Trustees; but only if such member shall have been given written notice by the secretary of the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board of Trustees or by vote of the members at any annual or special meeting.

Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interest of Members. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of existence.

Section 2. Non Liability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be individually liable for or responsible for any debts or liabilities of the Cooperative.

ARTICLE III MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held on the last Tuesday in October of each year beginning with the year 1980, at such place as determined by the Board of Trustees, in the County of Pike, State of Alabama, and at such hour as shall be designated in the notice of the meeting for the purpose of electing trustees, passing upon reports for the previous calendar year and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by resolution of the Board of Trustees, or upon a written request signed by any three trustees, by the President, or by ten per centum or more of all the members, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the counties of Pike, Coffee or Crenshaw in the State of Alabama, specified in the notice of the special meeting.

Section 3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business other than that listed in Section 7 of this Article is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than forty (40) days before the date of the meeting, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meeting, to each member. 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 thereupon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. Business may not be transacted at any meeting of the members unless there are present in person or represented by mail voting ballots the greater of (i) fifty (50) members or (ii) at least three percent (3%) of the members of the Cooperative entitled to vote as determined on the record date. If there is less than a quorum at any meeting, a majority of those present in person may without further notice adjourn the meeting to another time and date no sooner than thirty (30) days later and to any place within Pike County, Alabama; provided, the Secretary shall notify all Members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3. Registration of attendance at a meeting of members and the number of received mail voting ballots shall be counted and used to determine a quorum for all purposes hereunder.

Section 5. Voting. Each member shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members, regardless of the number of

accounts held by such member. At all meetings of the members at which a quorum is established all questions shall be decided by a vote of a majority of the members voting thereon, whether voting in person or, if authorized, by mail ballots, except as otherwise provided by law, the articles of conversion of the cooperative, or these bylaws; provided, however, that when no candidate receives a majority of the votes cast, the election shall be decided by plurality of the members voting. The failure of any member of record to receive a copy of any motion or ballot shall not invalidate any action which may be taken by the members. Any member voting by mail shall express that member's vote on the ballot according to the instructions and mail the ballot in the envelope provided. Each ballot received by mail on or before the date set by the Board of Trustees as the deadline for the vote shall be counted. If a husband and wife hold a joint membership, they shall jointly be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. Notwithstanding anything in this Section 5 to the contrary, if voting by mail is authorized for a membership meeting as provided in Section 6, members may vote by mail ballots in the manner and in accordance with the procedures approved by the Board of Trustees and are not required to be present to vote. The Board of Trustees may provide facilities through which members may cast their votes by ballots on matters included in the notice of the meeting prior to the formal commencement of the business meeting on the day of the meeting after the member has registered the member's attendance.

Section 6. Mail Voting.

(a) Any member who is absent from any annual or special meeting of the members may vote by mail upon any motion or resolution to be acted upon at any such meeting in connection with the borrowing of funds from United States of America or any agency or instrumentality thereof, or other lending agency, the sale, mortgage, lease or other disposition or encumbrance of property to United States of America or any agency or instrumentality thereof, or other lending agency or the sale, lease or other disposition of all or a substantial portion of its property to another cooperative or to a foreign corporation doing business in this State pursuant to the Act under which this corporation is incorporated. The secretary shall enclose with the Notice of such meeting an exact copy of such motion or resolution to be acted upon and such absent member shall express his vote thereon by writing "yes" or "no" on each such motion or resolution in the space provided therefor and enclose each such copy so marked in a sealed envelope bearing his name and addressed to the secretary. When such written vote so enclosed is received by mail from any absent member, it shall be accepted and counted as a vote of such absent member at such meeting. If a husband and wife hold a joint membership and are absent from any annual or special meeting of the members they shall jointly be entitled to vote by mail as provided in this section. The failure of any such absent member to receive a copy of any such motion or resolution or ballot shall not invalidate any action which may be taken by the members at any such meeting.

(b) Also, if voting by mail is authorized for an annual or special meeting of the members by a resolution duly adopted by the Board for that meeting, each member as of the record date shall be entitled to vote in person or by mail on all matters requiring a

vote of the membership except for a proposal to place the Cooperative in bankruptcy or receivership, upon which members shall be required to vote in person. No voting by proxy shall be allowed, and no write-in ballots shall be counted. The Secretary shall be responsible for the enclosures with each notice of each meeting (1) an exact copy of any motion or resolution to be acted upon by the members, (2) a ballot with instructions for indicating on the ballot the member's vote on the motion or resolution, (3) an envelope addressed to such address as may be specified by the Board of Trustees for returning the ballot and (4) such other items required under these bylaws or resolution adopted by the Board of Trustees. For election of Trustees, the nominees or candidates shall be listed by District number and within each District the incumbent, if any, shall be listed first and other candidates shall be listed alphabetically by last name thereafter. The failure of any member of record to receive a copy of any motion or ballot shall not invalidate any action which may be taken by the members. Any member voting by mail shall express that member's vote on the ballot according to the instructions and mail the ballot in the envelope provided, all in accordance with the mail voting procedures adopted by the Board of Trustees from time-to-time and in effect for that meeting. Each duly completed ballot received by mail on or before the date and time set by the Board of Trustees as the deadline for receiving ballots shall be counted. In case of joint membership, the first ballot received from either of the joint members shall constitute one joint vote. A member of record present at a meeting in person may vote on matters presented to the members for a vote only if that member has not already voted on that matter by mail ballot [or if that member rescinds in writing that mail voting ballot pursuant to procedures adopted by the Board of Trustees for that purpose]. The Board of Trustees may specify additional or other procedures necessary to efficiently and effectively conduct mail voting as provided for under this section. If voting by mail is authorized by the Board of Trustees, then duly completed mail ballots shall be counted in determining a quorum for a meeting of members for all purposes.

Section 7. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meeting of the members, shall be essentially as follows:

1. Report on the number of members of record present in person and, if applicable, voting by mail in order to determine the existence of a quorum and declaration of the quorum for purpose of conducting the items of business before the meeting.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, trustees and committees.
5. Election of trustees.
6. Old or unfinished business.
7. New Business

8. Adjournment

Section 8. Record Date. The Board of Trustees may fix a record date for determining the number of members necessary to establish a quorum and for determining the members entitled to receive notice of a meeting of the members and to vote at the meeting of the members. Unless otherwise fixed by the Board of Trustees, the record date for determining the quorum and the members entitled to receive notice of the meeting shall be sixty (60) days prior to the meeting.

ARTICLE IV TRUSTEES

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of not more than nine trustees which shall exercise all of the powers of the Cooperative except such as are by law or by the articles of conversion of the Cooperative or by these bylaws conferred upon or reserved to the members. The territory served or to be served by the Cooperative shall be divided into seven districts, the boundaries of which shall be so fixed that each district shall contain approximately the same number of members. Each district shall be represented by one or more trustees who must be a member receiving service from the Cooperative within the district which he represents, except in the case where a trustee may be serving at large, he can receive service in any district.

The Board of Trustees may select and appoint by unanimous vote a maximum of two trustees to serve at large for a period of twelve months and thereafter until the subsequent annual meeting. At which time, such appointees shall become subject to all the bylaw provisions now or in the future applicable to an elected trustee except that nominations, election and tenure shall continue to be without regard to district and on a service area basis. The Districts are bounded as follows:

Land Description

District No. 1: District No. 1 shall include the northeast corner of Pike County, Alabama being more particularly described as follows: Commencing at the northeast corner of Section 6, Township 11 North, Range 22 East, running thence South to the right of way of Central of Georgia Railway Company, running thence in a southwesterly direction to the corporate limits of the City of Troy thence South along the eastern corporate limits of the City of Troy to southeast corner of the corporate limits of the City of Troy, running thence West to Brundidge Street, thence South along Brundidge Street to U. S. Highway 231, running thence along U.S. Highway 231 to Brundidge, Alabama, excluding the town of Brundidge, Alabama, and running along State Highway No. 10 to Barbour County line, running thence North along the boundary line between Pike, Barbour and Bullock to the point of beginning.

District No. 2: All of Pike County South and West of the following boundaries: State Highway No. 15 from Troy South to Coffee County line, West from Troy on Federal Highway No. 29 to Crenshaw County line, excluding the City of Troy.

District No. 3: All of Crenshaw County North and East of the following boundaries: From Luverne North from the county line on State Highway No. 9, from Luverne East on Highway No. 10 to Vidette from Vidette to Pike County line on the Vidette-Goshen road; also, that portion of Crenshaw County which lies South of State Highway No. 10, also Crenshaw County commencing at a point where an unnumbered and unpaved county road intersects State Highway No. 10 at the closest point East of the residence of Dexter Martin, running thence South along unpaved and unnumbered county road to a crossroads, running thence West to a fork of the roads, running thence northwesterly to intersection with State Highway No. 10.

District No. 4: All Crenshaw County West of the following boundaries: From Montgomery County line South to Luverne, thence to optimum boundary on State Highway No. 9, exclusive of Highway No. 9.

District No. 5: All of Pike County North and West of the following boundaries: Commencing at the Northeast corner of Section 6, Township 11 North, Range 22 East, and running thence South to Central of Georgia Railway company and following railroad South and West to Troy, thence over U.S. Highway 29 to Crenshaw County line and also including the City of Troy.

District No. 6: All of Crenshaw and Coffee County South, East and West of the following boundaries: In Crenshaw County from Brantley on State Highway No. 9 to Luverne exclusive of both towns: From Luverne East on Highway No. 10 to Vidette: Vidette to Pike County line on Vidette-Goshen Road, Crenshaw Pike County line South to the Southwest corner of Pike County. Thence East on County line to State Highway No. 15, Troy-Elba. Thence South on Highway No. 15 inclusive to optimum boundary, less and except that portion of Crenshaw County which lies South of State Highway No. 10, commencing at a point where an unnumbered and unpaved county road intersects State Highway No. 10 at the closest point East of the residence of Dexter Martin, running thence South along unpaved and unnumbered County road to a crossroads, running thence West to a fork of the roads, running thence northwesterly to intersection with State Highway No. 10.

District No. 7: All of Pike County and Coffee County South and East of the following boundaries: From Troy South and East on State Highway No. 10 to Brundidge, continuing on Highway No. 10 to Barbour County line, excluding the City of Troy. From Troy, South on State Highway No. 15, Troy to Elba, to the optimum boundary line in Coffee County, including the town of Milo. Excluding Highway No.15 from Pike-Coffee County line to the optimum boundary.

The Board of Trustees at any regular or special meeting thereof held not less than one hundred eighty (180) days prior to any annual meeting of the members or special

meeting of the members held in lieu of such annual meeting, may by resolution, alter the geographical boundaries of the seven districts with the aim of arranging more equitable districting. Upon the submission of a petition signed by fifty (50) or more members of the Cooperative, the President of the Cooperative shall be required to call a special meeting of the Board of Trustees to consider and take action upon the rearranging of the geographical boundaries of the seven districts to accomplish the purpose of this districting provision. Notwithstanding any provisions of this section, a violation of such districting provisions shall not invalidate or in any way affect or impair the validity of any corporate action.

Section 2. Qualifications and Tenure. If the election of trustees shall not be held on the day designated herein for the annual meeting or at any adjournment thereof, the Board of Trustees shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be held. Trustees shall be elected by vote (whether in person or by mail-in ballots) at each meeting of the members, by and from the members, and said Trustees of the cooperative shall be elected for staggering terms, commencing at the next annual meeting to be held in the year 1955, with Trustees from districts one and two to be elected for a term of one year; Trustees from districts three and four to be elected for a term of two years, and Trustees from districts five, six and seven to be elected for a period of three years. And that thereafter trustees will only be elected for terms of three years to fill the place of those trustees whose terms had expired and each of said trustees shall be elected and shall be qualified. No person shall be eligible to become or remain a trustee who:

- (a) is not a member and bona fide resident in the area served by the Cooperative and in the District for which trustee is serving if the trustee is not elected as an at-large trustee; or
- (b) is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative; or
- (c) is the incumbent of or candidate for an elective public office in connection with which a salary or compensation in excess of one hundred dollars per annum is paid.

Upon establishment of the fact that a trustee is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Trustees to remove such trustee from office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees.

Section 3. Nominations. It shall be the duty of the Board of Trustees to appoint, not less than one hundred twenty (120) days before the date of a meeting of the members at which trustees are to be elected, a committee on nominations consisting of not less than

five nor more than eleven members who shall be selected from different sections of the Cooperative's districts so as to insure equitable representation. No member of the Board of Trustees may serve on such committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the cooperative at least sixty (60) days before the meeting a list of nominations for trustees. Said committee shall nominate two members for Trustee from each district. Any fifteen (15) or more members acting together may make other nominations by petition not less than forty-five (45) 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. If the Board of Trustees or its designee determines that any such prospective nominees for which a petition has been filed satisfies eligibility requirements and that the submitted petition is properly signed and dated by the required number of members, that each signature on the petition is genuine and it belongs to a member in good standing as of the record date, then the individual for which the Petition was submitted shall become a nominee for trustee and that individual's name shall be posted.

The Secretary shall mail with the notice of the meeting or separately, but, if sent separately, at least ten (10) days before the date of the meeting, a statement of the number of trustees to be elected and the names of the candidates, specifying separately the nominations made by the committee on nominations and also the nominations made by petition, if any. Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of trustees. Except for the nominations permitted by the above-referenced methods, no other nominations shall be made including no nominations from the floor or write-in ballots.

Section 4. Removal of Trustees by Members. Any member may bring charges against a trustee by filing such charges in writing with the Secretary, together with a petition signed by at least ten per centum of the members and request the removal of such trustee by reason thereof. The trustee against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such trustee shall be considered and voted upon the next regular or special meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

Section 5. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of trustees by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining trustees for the unexpired portion of the term of the trustees in respect of whom the vacancy occurs, provided, however, that the member so selected to fill the vacancy shall reside in the same district as the one from which the trustees he succeeds was elected.

Section 6. Compensation. Trustees as such shall not receive any salary for their services, but by resolution of the Board of Trustees a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Trustees. No trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a trustee receive compensation for serving the Cooperative, unless the payment of compensation shall be specifically authorized by vote of the members or the service by such trustee or close relative shall have been certified by the Board of Trustees as an emergency measure.

ARTICLE V MEETINGS OF TRUSTEES

Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held without notice other than this bylaw, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Trustees shall also be held monthly at such time and place in Pike County, Alabama, as the Board of Trustees may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by the President or by any three trustees, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The President or the trustees calling the meeting shall fix the time and place (which shall be within the counties of Pike, Coffee or Crenshaw, Alabama), for the holding of meeting.

Section 3. Notice of Trustee's Meetings. Written notice of the time, place and purpose of any special meeting of the Board of Trustees shall be delivered not less than five days previous thereto, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the President, or the trustees calling the meeting, or each trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

Section 4. Quorum. A majority of the Board of Trustees shall constitute a quorum, provided, that if less than such majority of the trustees is present at said meeting, a majority of the trustees present may adjourn the meeting from time to time; and provided further that the secretary shall notify any absent trustees of the time and place of such adjourned meeting. The act of the majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees.

Section 5. Board Action by Written Consent. Without a meeting of the Board of Trustees ("Board"), the Board may take any action required or permitted to be taken at a Board meeting if the action is taken by all trustees and evidenced by one (1) or more written consents (a) describing the action taken, (b) signed by each

trustee, and (c) included with the Cooperative's Board meeting minutes. Unless the written consent specifies a different effective date, action taken by written consent is effective when the last trustee approves the written consent. A written consent has the effect of, and may be described as, a Board meeting vote. Trustees may indicate approval by electronic means and such approval will be treated as a written approval.

Section 6. Electronic Communication Participation. When such electronic communication participation by a trustee is otherwise authorized by a policy or resolution adopted by the Board, the members of the Board may participate in meetings of the Board by means of conference telephone or other means of electronic communication by which all trustees participating in the meeting can hear each other during the meeting, and participation in a meeting in accordance herewith shall be deemed to constitute presence in person at such meeting for these Bylaws and all other purposes.

ARTICLE VI OFFICERS

Section 1. Number. The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected by ballot annually by and from the Board of Trustees at the meeting of the Board of Trustees held directly after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Trustees following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the term.

Section 3. Removal of Officers and Agents by Trustees. Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer by filing such charges in writing with the Secretary, together with a petition signed by ten per centum of the members, and request the removal of the particular officer by reason thereof. The officer against whom such charges have been brought shall be informed in writing of the charges at least five days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such officer shall be considered and voted upon at the next regular or special meeting of the members.

Section 4. President. The President shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the Board of Trustees, shall preside at all meetings of the members and the Board of Trustees;
- (b) sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board of Trustees or the members, and may sign deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution, thereof shall be expressly delegated by the Board of Trustees 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 President and such other duties as may be prescribed by the Board of Trustees from time to time.

Section 5. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 6. Secretary. The Secretary shall:

- (a) keep the minutes of the meetings of the members and of the Board of Trustees 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 affix the seal of the Cooperative 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;
- (d) keep a register of the names and post office addresses of all members;
- (e) sign, with the President, certificates of membership, the issue of which shall have been authorized by the Board of Trustees or the members;

- (f) have general charge of the books of the cooperative in which a record of the members is kept;
- (g) keep on file at all times a complete copy of the articles of conversion and bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of the bylaws and of all amendments thereto to each member; and
- (h) 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 by the Board of Trustees.

Section 7. Treasurer. The Treasurer shall:

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

Section 8. General Manager. The Board of Trustees may appoint a general manager who may be, but who shall not be required to be, a member of the Cooperative. The general manager shall perform such duties and shall exercise such authority as the Board of Trustees may from time-to-time vest in him.

Section 9. Bond of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees 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.

Section 10. Compensation. The powers, duties and compensation of any officer, agents and employees shall be fixed by the Board of Trustees, subject to the provisions of these bylaws with respect to compensation for trustees and close relatives of trustees.

Section 11. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous

calendar year. Such reports shall set forth the condition of the Cooperative at the close of such calendar year.

ARTICLE VII NON-PROFIT OPERATION

Section 1. Interest of Dividends on Capital Prohibited. The Cooperative will at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. 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 patrons, members and non-members alike, for all amounts received and receivable from the furnishings 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, members and non-members alike, as capital. The Cooperative is obligated to pay by credits to a capital account of each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each calendar year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the calendar year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so, and the patron had then furnished the Cooperative corresponding amount for capital. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior calendar year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided. Cash settlement of capital credits shall be subject to payment of the consumers' past due indebtedness to the cooperative and the amounts of such indebtedness shall be deducted therefrom. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board of trustees shall determine that the financial condition of the cooperative will not be impaired thereby, the capital then credited to patron's accounts may be retired in full or in part. The Board of Trustees shall determine the method, basis,

priority and order of making retirements through capital credits, from time to time, for all amounts heretofore and hereafter furnished as capital; provided, the Board of Trustees shall have the power to adopt rules providing for the separate retirement of that portion (“power supply or other service or supply portion”) of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall (a) provide for separate identification on the Cooperative’s books of such portion of capital credited to the Cooperative patrons and (b) provide for appropriate notifications to patrons with respect to such portions of capital credit to their accounts. Before retiring and refunding any capital, the Cooperative may deduct from the capital any amounts owed to the Cooperative by the Member, including compounded interest and late payment fees established by the Cooperatives polices or by the Board. Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron’s premises, served by the Cooperative, unless the Board of Trustees, acting under policies of general applications, shall determine otherwise. In the event that a non-member patron shall elect to become a member of the Cooperative, the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provision of these bylaws, the Board of Trustees, at its discretion, shall have the power at any time upon the death of any patron if the legal representative of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaw, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Trustees, acting under polices of general application, and the legal representative of such patron’s estate shall agree upon, provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the article of conversion and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative’s office.

ARTICLE VIII 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 words "Corporate Seal, Alabama."

ARTICLE IX FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided in these bylaws, the Board of Trustees may authorize any officer or officers, agent or agents, 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 2. Checks, Drafts, etc. Except as otherwise provided by law or in these bylaws, 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 by such officer, officers, agent or agents of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

Section 3. Deposits. All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board of Trustees may select.

Section 4. Change in Rates. Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy becomes effective.

Section 5. Calendar Year. The accounting period of the Cooperative shall be on a calendar year basis, beginning in 1969.

ARTICLE X

Section 1. Other Organizations. The Cooperative may establish or participate in corporations and other business organizations to provide services for the members or area served, as deemed beneficial to the Cooperative by a majority vote of the Board of Trustees.

Section 2. Waiver of Notice. Any member or trustee may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in case a member or trustee shall attend a meeting for the

express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 3. Rules and Regulations. The Board of Trustees shall have power to make and adopt such rules and regulations not inconsistent with law, the articles of conversion or these bylaws, as it may deem advisable for the management, administration and regulations of the business and affairs of the Cooperative.

Section 4. Accounting System and Reports. The Board of Trustees shall cause to be established and maintained a complete accounting system which shall conform so long as the Cooperative is indebted to the Government or any agency or instrumentality thereof, to such accounting system as may from time-to-time be designated by the Administrator of the Rural Electrification Administration of United States of America. All accounts of the Cooperative shall be examined by a committee of the trustees appointed by the Board of Trustees which shall render reports to Board of Trustees at least four times a year at regular meetings of the Board of Trustees. The Board of Trustees shall also, after the close of each calendar year, cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative. Such audit reports shall be submitted to the members at the annual meeting next following the close of such calendar year.

ARTICLE XI AMENDMENTS

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.