

**BYLAWS**



**Excelsior Electric  
Membership Corporation**

**METTER, GEORGIA**

**As Amended  
Through July 17, 2008**

**BYLAWS  
of  
EXCELSIOR  
ELECTRIC MEMBERSHIP CORPORATION**

**ARTICLE ONE  
MEMBERSHIP**

### **Section 1. Requirements for Membership.**

Any person, firm, association, corporation, or body politic or subdivision thereof (hereinafter called "person") which desires retail electric service may become a member of Excelsior Electric Membership Corporation (hereinafter called the "Cooperative") by:

- (a) Making 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 incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors, and
- (d) paying the membership fee hereinafter 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 Directors or the members. Also any person upon receipt of a contract, approved in the discretion of the Board of Directors, for wholesale electric service or other contractual service may become a member by paying the membership fee and executing the contract as approved by the Board of Directors in its discretion. No person may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

### **Section 2. Membership Certificates.**

Membership in the Cooperative shall, if the Board so resolves, be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative's corporate articles or its by-laws. Such certificate, if authorized to be issued by the Board, shall be signed by the President and by the Secretary and the Corporate Seal shall be affixed thereto or a facsimile thereof printed thereon, PROVIDED, that the signatures of the President and the Secretary may be imprinted by facsimile thereon.

### **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 of 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 and shall constitute a joint waiver of notice of the meeting;
- 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;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

#### **Section 4. Conversion of Membership.**

- (a) 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 incorporation, bylaws and rules and regulations adopted by the Board of Directors. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.
- (b) 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 Fee.**

The membership fee shall be twenty-five dollars, upon the payment of which a member shall be eligible for retail service.

#### **Section 6. Purchase of Electric Energy.**

Each member receiving retail electric service shall, as soon as electric energy shall be available, purchase from the Cooperative all central station electric energy used on the premises specified in his application for membership, and

shall pay there for monthly rates which shall from time to time be fixed by the Board of Directors. 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 Directors from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable. Members receiving wholesale electric service or other contractual service pursuant to a separate contract approved by the Board of Directors shall be served so as to recover the cost of service, and the terms of service shall be in accordance with the contract approved by the Board of Directors in its discretion. 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 Article Seven of these bylaws.

#### **Section 7. Termination of Membership.**

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or rules or regulations adopted by the Board of Directors, but only if such members shall have been given written notice by the Secretary of the Cooperative that such failure makes him liable to expulsion and such 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 Directors or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him, has not purchased electric energy from the Cooperative or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board of Directors.

(b) 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, and shall not affect the obligations of the Cooperative or of a person pursuant to a separate contract or wholesale electric service or other contractual service approved by the Board of Directors.

## **ARTICLE TWO**

### **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 such members, unless otherwise provided by law.

### **Section 2, Non-Liability for Debts of the Cooperative.**

The private property of the members shall be exempt from execution or other liabilities for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

## **ARTICLE THREE**

### **MEETINGS OF MEMBERS**

#### **Section 1. Annual Meeting.**

The annual meeting of the members shall be held each year, at such time and place in a county in which electrical service is provided by the Cooperative, as shall be designated in the notice of the meeting, for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual 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 Directors or upon a written request signed by any three directors, 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 a county in which electrical service is provided by the Cooperative, 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 requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than twenty-five days before the date of the meeting, either personally or by mail, by or at the directions 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 thereon 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.**

To constitute a quorum for the transaction of business at all meetings of the members one hundred members or ten per centum of the membership, whichever is smaller, shall be present in person. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting from time to time without further notice.

### **Section 5. Voting.**

Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the articles of incorporation or these bylaws. No member shall be entitled to vote who is not at the time receiving service from the Cooperative.

### **Section 6. Order of Business.**

The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

1. Call to order.
2. Recess for registration and voting of not less than one or more than four hours.
3. Registration of members.
4. Opening of polls at the annual meeting site for the casting of votes for the election of directors.

5. Report on the number of members present in order to determine the existence of a quorum.
6. 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.
7. Closing of polls and counting of ballots.
8. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
9. Presentation and consideration of reports of officers, directors, and committees.
10. Unfinished business.
11. New business.
12. Report of results of election of Directors.
13. Adjournment.

## **ARTICLE FOUR**

### **DIRECTORS**

#### **Section 1, General Powers.**

The business and affairs of the Cooperative shall be managed by a board of ten directors which shall exercise all the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

#### **Section 2. Geographical Representation.**

The area served by the Cooperative shall be divided into nine geographical districts so as to include in each district substantially the same number of members, and one director shall be elected from each of said nine districts, and one director shall be a director at large representing the entire area served by the Cooperative. (The director shall be referred to herein as the "at large director".) The boundaries of the several districts shall be established by a map prepared from the records of the Cooperative and approved by the Board of Directors, and said boundaries may be altered in the same manner when changing conditions warrant.

### **Section 3. Qualifications.**

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

- (a) Will not be eighteen (18) years of age or older on the date of election; or
- (b) Is not a member of the Cooperative and bona fide resident of the district represented; or
- (c) Is not receiving service from the Cooperative at his primary residence, unless temporarily prevented from doing so by causes reasonably beyond such member's control; or
- (d) Is currently, or has been within five (5) years before the date of the election, an employee of the Cooperative; or
- (e) Is the brother, sister, parent, child, grandparent or grandchild, by blood or marriage, of any person who is an employee or director of the Cooperative; or
- (f) Is the great-grandparent, great-great-grandparent, great-grandchild, great-great-grandchild, nephew, niece, aunt, Uncle, great-aunt, great-uncle, first cousin, grand-niece or grand-nephew, by blood, of any person who is an employee or director of the Cooperative; or
- (g) Is in any way employed by or financially interested in an enterprise competing with the Cooperative, 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, EXCEPT when such employment or financial interest is, in the judgment of a majority of the disinterested directors, so inconsiderable and incidental as not to pose a reasonable prospect of a conflict of interest; or
- (h) Is the incumbent of or candidate for an elective public office in connection with which a salary is paid? Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions the Board of Directors shall remove such director from office. Nothing contained in this section shall affect the validity of any official action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter in which one or more of the directors have an interest adverse to that of the Cooperative.

### **Section 4. Election and Tenure of Office.**

At each annual meeting of the membership three directors shall be elected by and from the members to serve for a term of three years, and at every third annual meeting, after the annual meeting to be held in 1973, at which meeting

the at large director will be elected, thereafter four directors, including the at large director, shall be elected to serve for a period of three years, or until their successors shall have been elected and qualified. Thereafter directors shall be elected to serve for a period of three years, or until their successors shall have been elected and qualified. If an election of directors shall not be held on the day designated for the annual meeting or at any adjournment thereof, a special meeting of the members for the purpose of electing directors shall be held within a reasonable time thereafter. Each director elected by the members shall receive a majority of the votes cast, which shall be determined by a secret ballot, unless no candidate nominated as provided in Section 5 below has opposition, in which event, the election of directors may be by a voice vote rather than a secret ballot.

#### **Section 5. Nominations.**

It shall be the duty of the Board of Directors to appoint, not less than thirty days nor more than seventy-five days before the date of the meeting of the members at which directors 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 so as to insure equitable representation. No member of the Board of Directors may serve on such committee. The committee, keeping in mind the geographical representation herein above provided for, shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for Directors to be elected. Any one hundred or more members acting together may make other nominations by petition. Nominating petitions must be received at the Cooperative's Metter office no later than 5:00 p.m. on the thirtieth (30th) day prior to the meeting. The nominating petition shall list on each page the following: the member's signature, the member's printed name, the member's mailing address, and the member's phone number. After verifying that a nominating petition complies with these bylaws, the Cooperative shall post such nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting or separately, but at least seven days before the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee on nominations, and also the nominations made by petition, if any, and the district or at large position for which each candidate is nominated. Except in the event that all candidates nominated, as provided in this Section, are deceased, or withdraw in writing from candidacy, prior to the election, no other nominations shall be in order.

#### **Section 6. Removal of Directors by Members.**

Any member may bring charges against directors and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members 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 director shall be

considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of members at such meeting without compliance with the foregoing provisions with respect to nominations.

#### **Section 7. Vacancies.**

Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term.

#### **Section 8. Compensation.**

Directors shall not receive any salary for their services as directors. Directors shall, however, receive on a per diem basis a fixed sum in an amount established by the Board from time to time and set forth in the minutes of the Board, for services rendered on behalf of the Cooperative, including but not limited to attendance at regular and special meetings of the Board or membership, attendance or representation of the Cooperative at educational and informational meetings, courses or seminars, as well as meetings of organizations of which the Cooperative is a member or which are involved in activities directly related to the affairs and purposes of the Cooperative; and shall further be reimbursed for expenses actually and necessarily incurred by directors in the performance of their duties. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by such director or close relative shall have been certified by the Board of Directors as an emergency measure.

#### **Section 9. Circulation of Newsletter; Subscription Thereto.**

For the purpose of disseminating information devoted to the science of agriculture, to agricultural cooperation and to productive means of exploiting electric energy, the Board of Directors shall be authorized to circulate to the members periodically a newsletter to be titled with such title and identified with such masthead as the Board of Directors may hereafter specify. The annual subscription, therefore, in the amount of one dollar, shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as with any other expenses of the Cooperative.

### **ARTICLE FIVE**

#### **MEETINGS OF DIRECTORS**

### **Section 1. Regular Meetings.**

A regular meeting of the Board of Directors shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Directors shall be held monthly at such time and place in a county in which electrical service is provided by the Cooperative, as the Board of Directors may provide by resolution. Such regular meetings may be held without notice other than such resolution fixing the time and place thereof.

### **Section 2. Special Meeting.**

Special meetings of the Board of Directors may be called by the President or by any three directors, 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 directors calling the meeting shall fix the time and place (which shall be in a county in which electrical service is provided by the Cooperative), for the holding of the meeting.

### **Section 3. Notice of Directors' Meetings.**

Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director 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 directors calling the meeting. 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 postage thereon prepaid.

### **Section 4. Quorum.**

A majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless otherwise provided by these bylaws.

## **ARTICLE SIX**

### **OFFICERS**

### **Section 1. Number.**

The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and of Treasurer may be held by the same person.

### **Section 2. Election and Term of Office.**

The officers shall be elected annually by and from the Board of Directors at the meeting of the Board of Directors held immediately 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 Directors 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 Directors for the unexpired portion of the term.

### **Section 3. Removal of Officers and Agents by Directors.**

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors 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, and by filing with the Secretary such charges in writing together with a petition signed by ten per centum of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board 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. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next 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 Directors, shall preside at all meetings of the members and the Board of Directors;

(b) Sign with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution

thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

(c) In general perform all duties incident to the office of the President and such other duties as may be prescribed by the Board of Directors 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 Directors.

#### **Section 6. Secretary.**

The Secretary shall:

(a) Keep the minutes of the meeting of the members and of the Board of Directors in one or more books provided for that purpose;

(b) See that all notices are duly given in accordance with these bylaws or as required by law;

(c) Be custodian of the corporate records and of the seal of the Cooperative and 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 Directors or the members;

(f) Have general charge of the books of the Cooperative;

(g) Keep on file at all times a complete copy of the articles of incorporation 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 who requests the same;

(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 Directors.

#### **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 the issuance of receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys 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 Directors.

#### **Section 8. General Manager.**

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

#### **Section 9. Bonds 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 Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

#### **Section 10. Compensation.**

The powers, duties and compensation of officers, agents and employees shall be fixed by the Board of Directors, subject to the provisions of these bylaws with respect to compensation for directors and close relatives of directors.

## **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 fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE SEVEN**

### **NON-PROFIT OPERATION**

#### **Section 1. Interest or Dividends on Capital Prohibited.**

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

#### **Section 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 retail patrons will, through their patronage, furnish capital for the Cooperative; and in the furnishing of electric energy to the Cooperative's wholesale customers and other contractual members, the Cooperative's operations shall be so conducted to recover the cost of service. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within eight and one-half months after the close of the fiscal year notify each patron of the amount of capital so credited to his/her account; PROVIDED, that individual notices of such amount furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provided that clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him/her. All records related to patronage capital are to be maintained in a manner that complies with federal and state law. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative

corresponding amounts for capital. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be

(a) Used to offset any losses incurred during the current or any prior fiscal year and

(b) To the extent not needed for that purpose, allocated to its patrons on a patronage basis based upon the margins contributed by a member or a class of members, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided; provided, however, that the Board shall have the power to adopt rules providing for the separate accounting for and procedure for the retirement of such other amounts of capital credited to the accounts of patrons, which correspond to capital credited to the account of the Cooperative by other organizations in which the Cooperative is a member. Such rules shall among other things

(c) Establish a method for determining portions of such capital credited to each of the Cooperative's patrons for each applicable fiscal year;

(d) Provide for the separate identification thereof, for each patron on the Cooperative's books;

(e) Provide for appropriate notification thereof to patrons, and

(f) Preclude a general or special retirement thereof, prior to the actual receipt of the refund of such capital by the Cooperative. 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 Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full, or in part. After the 31st day of December, 1979, and thereafter, the Board of Directors shall determine the method, amount, basis, priority and order of retirement if any for all amounts heretofore and hereafter furnished as capital.

### **Section 3. Patronage Refunds in Connection with Furnishing Other Services.**

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable there from which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time and in such priority as the Board of Directors shall determine.

## **ARTICLE EIGHT**

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a duly held meeting of the members thereof by the affirmative vote of a majority of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors of the Cooperative without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income there from, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative to United States of America or any instrumentality or agency thereof, and the National Rural Utilities Cooperative Finance Corporation.

## **ARTICLE NINE 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 TEN**

### **FINANCIAL TRANSACTIONS**

#### **Section 1. Contracts.**

Except as otherwise provided in these bylaws, the Board of Directors 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.**

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

### **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 or savings and loan association or associations which provide Federal Deposit Insurance Corporation insurance or shall invest same in such security of the United States of America or the National Rural Utilities Cooperative Finance Corporation as determined by the management of the Cooperative under policies established by the Board.

### **Section 4. Fiscal Year.**

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

## **ARTICLE ELEVEN**

### **MISCELLANEOUS**

#### **Section 1. Membership in Other Organizations.**

The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase; provided, however, that the Cooperative may upon the authorization of the Board of Directors purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification or with the approval of the Administrator of Rural Utilities Service (RUS), of any other corporation for the purpose of acquiring electric facilities.

#### **Section 2. Waiver of Notice.**

Any member or director may waive in writing any notice of such meeting required to be given by these bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director except in case a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that meeting has not been lawfully called or convened.

### **Section 3. Rules and Regulations.**

The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation, or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

### **Section 4. Accounting System and Reports.**

The Board of Directors shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the RUS of the United States of America. The Board of Directors shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the next following annual meeting.

## **ARTICLE TWELVE**

### **AMENDMENTS**

Unless otherwise specified by law, these bylaws, or the Articles of Incorporation, these bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds of the members of the Board of Directors at a regular or special meeting of the Board of Directors, or by a majority of members at a regular or special meeting of members, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal.

### **STATEMENT OF NONDISCRIMINATION**

Excelsior Electric Membership Corporation is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, sex, religion, age, or disability shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities. The person responsible for coordinating this organization's nondiscrimination compliance efforts is Gary T. Drake, General Manager. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this

organization; or the Administrator, Rural Utilities Service, Stop 1510, 1400 Independence Avenue, SW, Washington, DC, 20250-1510; or the Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410; or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

### **EQUAL EMPLOYMENT OPPORTUNITY POLICY**

Pursuant to Executive Order 10925, as amended on June 22, 1963, by Executive Order 1114, and Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, issued by the President, it is the established policy that Excelsior Electric Membership Corporation is an Equal Opportunity Employer and that employment opportunities created by construction work involving Federal financial assistance through RUS loans will be made equally available to all qualified persons without regard to race, color, creed, sex, age, or national origin.