

Amicalola Electric Membership Corporation



Bylaws and Rules and Regulations

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Office Hours

Monday through Friday

8:00 am - 5:00 pm

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**BYLAWS
AMICALOLA ELECTRIC MEMBERSHIP CORPORATION
JASPER, GEORGIA
GEORGIA 96**

The aim of Amicalola Electric Membership Corporation (hereinafter called the "Corporation" or "Cooperative") is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

**ARTICLE I
MEMBERS**

Section 1. Qualifications and Obligations. Any person, firm, association corporation or body politic who or which is not receiving electric service from any corporation subject to the jurisdiction of the Georgia Public Service Commission, or from any municipal corporation, may become a member in the Cooperative by:

- (a) making a written application for Membership and Service therefor under such conditions and terms as may be prescribed by the Board of Directors of the Cooperative;
- (b) paying the membership fee hereinafter specified;
- (c) agreeing to purchase from the Cooperative electric energy as hereinafter specified; and
- (d) agreeing to comply with and be bound by the articles of incorporation of the Cooperative and these Bylaws and any amendment is thereto and such rules and regulations as may from time to time be adopted by the Board of Directors.

Upon complying with the requirements set forth in Section 1 (a) through (d), any applicant shall automatically become a member on the date of connection for electric service; provided, that the Board of Directors may, by resolution, deny an application and refuse to extend service upon its determination that the applicant is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be denied for other good cause; provided further, that any person whose application, for sixty (60) days or longer, has been submitted to but not denied by the Board of Directors and who has not been connected by the Cooperative for electric service may, by filing written request therefor with the Cooperative at least thirty (30) days prior to the next meeting of the Board of Directors, have his application submitted to and approved or disapproved by the vote of the Board of Directors at such meeting, at which the applicant shall be entitled to be present and be heard.

Membership in the Cooperative is cancelled when all debts and liabilities of member is paid in full. If the member is in default of payment of any account at the time of cancellation, the membership fee or any part of it may be used to apply on account.

No person, firm, corporation, association, body politic may hold more than one (1) membership in the Cooperative.

Section 2. Membership Fee. A membership fee will be charged as designated by the Board of Directors.

In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member

the amount of the membership fee paid by him, provided, however that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owing from the member to the Cooperative.

Section 3. Purchases 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 Directors; provided, however, that the Board of Directors 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 the 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 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.

Section 4. Non-liability for Debts of the Cooperative. The private property of the members of the Cooperative except such unrefunded capital credits as may have been assigned to the members on the books of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

Section 5. Expulsion of Members. The Board of Directors or the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of the Articles of Incorporation of the Cooperative or these Bylaws or any rules and regulations adopted from time to time by the Board of Directors. Any members so expelled may be reinstated as a member by a vote of the members at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

Section 6. Withdrawal of Membership. Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

Section 7. Transfer and Termination of Membership.

- (a) Membership in the Cooperative shall not be

transferable, except as hereinafter otherwise provided, and upon the death, cessation of existence, termination of service, expulsion or withdrawal of a member the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release the member from the debts or liabilities of such member to the Cooperative.

(b) A membership may be transferred by a member to himself or herself and his or her spouse, as the case may be, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions of subdivisions (a) (c) and (d) of Section 1 of the Article. Such transfer shall be made and recorded on the books of the Cooperative.

(c) When a membership is held jointly by a husband and wife, upon the death of either, such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

Section 8. Removal of Directors. Removal of Directors shall be as provided in the Georgia Electric Membership Corporation Act, Georgia Laws 1981.

ARTICLE II

Section 1. Annual Meeting. The annual meeting of the members shall be held each year during the month of October, beginning with the year 1955, on such date in said month of October and at such place in Pickens County, Georgia, as shall be set each year by the Board of Directors, and shall be designated in the notice of the meeting, for the purpose of electing Directors, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may legally come before the meeting, provided that any proposed alteration or amendment to these bylaws must be included in said notice. If the election of Directors shall not be held on the date set and designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. Failure to hold the Annual Meeting at the set and designated time shall not work a forfeiture of the Charter of dissolution of the Cooperative.

Section 2. Special Meetings. Special meeting of the members may be called by at least three (3) Directors or upon a written request signed by at least 10 per centum (10%) 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 County of Pickens in the State of Georgia specified in the notice of the special meeting.

Section 3. Notice of Member's Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) days nor more than twenty (20) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the

persons calling the meeting, to each member. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both joint members. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the member at this 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. One hundred (100) of the members present in person or represented by such member's spouse as provided in Section 5 below at the beginning of the meeting shall constitute a quorum for the transaction of business at all meetings of the members, except as may be otherwise prescribed by law. In case of a joint membership the presence at a meeting of either husband or wife, or both, shall be regarded as the presence of one member. If less than a quorum is present at the beginning of any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

Section 5. Voting. Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. At all meetings of the members at which a quorum is present 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 of the Cooperative or these Bylaws. If a husband and wife hold joint membership, they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members. Provided, however, if the husband or wife hold a single membership, the spouse present at such meeting shall be allowed to vote in his or her spouse's name where the spouse member is not present.

Section 6. Proxies. There shall be no voting by proxy.

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

1. Determination of Quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waivers of notice of the meeting, as the case may be.
3. Reading of the unapproved minutes of the previous meetings of the members and the taking of necessary action thereon.
4. Unfinished business.
5. New business.
6. Presentation and consideration of, and acting upon, reports of Officers, Directors and Committees.
7. Election of Directors.
8. Adjournment.

All meeting of members and Directors will be conducted in accordance with the most recent revision of Roberts Rules of Order where such rules are not in conflict

with the laws, these Bylaws, or the articles of incorporation of Amicalola Electric Membership Corporation.

ARTICLE III DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of nine Directors which shall exercise all of the powers of the Cooperative except such as are by law or by the articles of incorporation of the Cooperative or by these Bylaws conferred upon or reserved to the members.

Section 2. Qualifications and Tenure. Directors shall be elected so as to give equitable representation on the Board to the geographical areas being served by the Cooperative. One Director shall be from Gilmer or Murray County and this seat shall be known as Post #1. One Director shall be from Gilmer or Fannin County and this seat shall be known as Post #2. One Director shall be from Pickens County and this seat shall be known as Post 3. One Director shall be from Pickens or Gordon County and this seat shall be known as Post #4. One Director shall be from Cherokee County and this seat shall be known as Post #5. One Director shall be from Cherokee or Bartow County and this seat shall be known as Post #6. One Director shall be from Dawson or Forsyth County and this seat shall be known as Post #7. One Director shall be from Dawson or Lumpkin County and this seat shall be known as Post #8. One Director shall be from Lumpkin County and this seat shall be known as Post #9. At each annual meeting of the members three (3) Directors shall be elected by and from the members to serve for a term of three (3) years, or until their successors shall have been elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of Directors. In the event there is more than one (1) nomination for a Director's position, voting shall be by a ballot. No person shall be eligible to become or remain a Director of the Cooperative who is not a member of the Cooperative and receiving service therefrom at his primary residential abode. No person shall be eligible to become or remain a Director of, or to hold any other position of trust in, the Cooperative who is in any way employed by the Cooperative, or 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, supplies or wiring to, among others, the members of the Cooperative, and no person shall take or hold office as a Director who is the incumbent of or candidate for an elective public office in connection with which a salary is paid. When a membership is held jointly by a husband and wife, either one, but not both, may be elected as a Director, provided, however, that neither one shall be eligible to become or remain a Director or to held a position of trust in the Cooperative unless both shall meet the qualifications herein above set forth. Upon establishment of the fact that a nominee for Director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the Chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being consid-

ered for, or already holding, a position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, whichever be the case. Upon the establishment of the fact that a Director is holding office in violation this Section, it shall be the duty of the remaining Directors on the Board to remove such Directors from office. Nothing in this Section contained shall, or shall be construed to affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of the Section and in which one or more of the Directors have an interest adverse to that of the Cooperative.

Section 3. Nominations. It shall be the duty of the Board of Directors to appoint, not less than ninety (90) days no more than hundred and twenty (120) days before the date of a meeting of the members at which Directors are to be elected, a committee on nominations consisting of not less than five (5) nor more than eleven (11) members who shall be selected so as to give equitable representation on the committee to the geographical areas being served by the Cooperative. No officer or member of the Board of Directors shall be appointed a member of such committee.

The committee on nominations shall make at least one nomination for each position for Director to be voted on at the annual meeting. The committee shall prepare and post at the principal office of the Cooperative at least ninety (90) days before the meeting a list of nominations for Directors, but any fifteen (15) or more members may make other nominations in writing over their signatures not less than sixty (60) days prior to the meeting and the Secretary shall post the same 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 a statement of the number of Directors to be elected and showing separately, the nominations made by the committee on nominations and the nominations made by petition, if any. There shall be no nominations from the floor at the meeting of members. The members may, at any meeting at which a Director or Directors shall be removed as herein before provided, elect a successor or successors thereto without compliance with the foregoing provisions with respect to nominations. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any action by the Board of Directors.

Section 4. Vacancies. Subject to the provisions of these Bylaws with respect to the removal of Directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors and Directors thus elected shall serve for the unexpired term or until their successors shall have been elected and shall have qualified.

Section 5. Compensation. Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors a fixed sum per diem and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors; committee meetings, and attendance on other business of the Cooperative. Except in emergencies, no Director shall receive

compensation for serving the Cooperative in any other capacity nor shall any close relative of a Director be employed and receive compensation therefor for serving the Cooperative unless such employment shall be specifically authorized by a vote of the Board of Directors.

Section 6. Rules and Regulations. The Board of Directors shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation of the Cooperative or with these Bylaws, as it may deem advisable for the management, operation, administration and regulation of the business and affairs of the Cooperative.

Section 7. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system, which, among other things, 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 Rural Utility Service of the United States of America. The Board of Directors shall also within sixty (60) days after the close of each audit year cause to be made a full and complete audit of the accounts, books and financial conditions of the Cooperative as of end of such audit year. The "audit" year shall be from January 1st of each year through December 31st of that same year. A resume of such audit reports shall be submitted to the members at following annual meeting.

Section 8. Change in Rates. Written notice shall be given to the Administrator of the Rural Electrification Administration of the United States of America no less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for electric energy become effective.

ARTICLE IV MEETING OF DIRECTORS

Section 1. Regular Meeting. Regular meeting of the Board of Directors shall be held monthly at such time and place in Pickens County, Georgia, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof. Provided: To meet exigencies, the President, in his uncontrolled discretion, is authorized to postpone or advance any regular monthly meeting for up to and not to exceed two (2) weeks by mailing a written notice of such postponement or advancement, setting forth the time, date and place to which said meeting is postponed or advanced, to each Director of the Corporation by regular U.S. mail.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President or any three (3) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors called by them.

Section 3. Notice. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least five (5) days previous thereto, by written notice, delivered personally or mailed, to each Director at his last known address, provided a Director may

waive such notice in writing. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director 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 4. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 5. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present, shall be the act of the Board of Directors.

ARTICLE V OFFICERS

Section 1. Number and Title. The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary and Treasurer and other such officers as may be determined by the Board 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 first meeting of the Board of Directors held after each 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 feasible. 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 duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers. And other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities as the Board of Directors may from time to time deem advisable.

Section 3. Removal. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in their judgment the best interest of the Cooperative will be served thereby.

Section 4. Vacancies. Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. The Chairman: The Chairman, if present, shall preside at all meetings of the Board of Directors and members unless determined otherwise by the Board of Directors and shall have general supervision, direction and control of the business and affairs of the Cooperative and shall have the general powers and duties usually vested in the office of Chairman of the Board of a Cooperative and shall further have such other power and duties as may be prescribed by the Board of Directors or these Bylaws; provided, that certain duties and authorities normally exercised by the chief executive officer of a Cooperative may, upon the resolution of the Board of Directors, be delegated through job descriptions or other written policies or

procedures to the President/CEO or other employee, officer or agent of the Cooperative.

Section 6. Vice Chairman. In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairman and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 7. Secretary. The Secretary shall be responsible for:

- (a) Keeping of the minutes of meetings of the members and the Board of Directors in one or more books provided for that purpose;
- (b) Seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) Safekeeping of the seal of the Cooperative and affixing the seal 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) Keeping a register of the post office address of all members;
- (e) The general charge of the books of the Cooperative in which a record of the members is kept;
- (f) Keeping on file at all times a complete copy of the Bylaws of the Cooperative containing all amendments thereto, which copy shall always be open to the inspection of any member and furnishing a copy of the Bylaws and all amendments thereto a member upon such members request;
- (g) In general, performing 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 8. Treasurer. The Treasurer shall be responsible for:

- (a) Custody of all funds and securities of the Cooperative;
- (b) The receipt and issuance of receipts for monies due and payable to the Cooperative from any source whatsoever and for deposit of all such monies in the name of the Cooperative in such depositories or investments as shall be selected in accordance with the provisions of these Bylaws;
- (c) In general, perform all the duties incident of the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 9. Delegation of Secretary's and Treasurer's Responsibilities. Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 7 and 8, the Board of Directors by resolution may except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of one or more of such officers such duties to one or more agents or other officers of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to other such officer, that officer as such shall

be released from such duties, responsibilities and authorities.

Section 10. President/CEO. The Board of Directors may appoint a President/CEO, who may be but shall not be required to be, a member of the Cooperative. The President/CEO shall perform such duties as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.

Section 11. Bonds of Officers. The Board of Directors shall require the Treasurer or any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property, to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine. The premium for such bonds shall be paid from the funds of the Cooperative.

Section 12. Compensation. The compensation, if any, of any officer, agent, or employee shall be determined by the Board of Directors, as provided elsewhere in these Bylaws, and the powers, duties and compensation of any officers, agents, and employees shall be fixed by the Board of Directors.

Section 13. 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 audit year and showing the condition of the Cooperative at the close of such audit year.

ARTICLE VI

CONTRACTS, CHECKS AND DEPOSITS

Section 1. Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, employee or employees, 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 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 or officers, employee or employees, agent or agents 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 depositories as the Board of Directors may select, provided that reserve funds may be invested in such securities as the Board of Directors may designate, or applied as prepayment of principal on indebtedness to the United States Government.

ARTICLE VII

REVENUES AND RECEIPTS - NON PROFIT OPERATION

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative nonprofit 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 will through their patronage furnish capital for the Cooperative. 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 cost 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. The Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron by notification to all patrons of the aggregate amount of such excess with an explanation of how each patron may compute and determine for themselves the specific amount of capital so credited to them. 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 pursuant 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 and any amount so allocated shall be included as a part of the capital credited to the account of patrons, as herein provided.

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, and insofar as any funds may be available for distribution to members on account of property rights, and insofar as gains may be realized from the sale of appreciated assets, such gains shall be distributed to all persons who were members during the period which the asset was owned by the Cooperative in proportion to the amount of business done by such members during that period insofar as is practicable. 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. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the

cooperative being first retired.

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 patrons premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member who is a natural person, if legal representatives 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 Bylaws, to retire capital credited to any such member immediately at a discounted, net present value of the capital credits upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such member'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 articles of incorporation and Bylaws, together with the Application for Membership and for Electric Service, shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contracts, 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 a copy of same in a conspicuous place in the Cooperative's office.

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 therefrom 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.

ARTICLE VIII WAIVER OF NOTICE

Any member or Director may waive, in writing, any notice of meetings required to be given by these Bylaws. In case of a joint membership a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

ARTICLE IX DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber any of its property other than:

- (a) property which in the judgment of the Board of Directors neither is nor will be necessary or useful

in operating and maintaining the Cooperative's system and facilities; provided, however, that all sales of such property shall not in any one (1) year exceed in value ten per centum (10%) of the value of all of the property of the Cooperative;

- (b) services of all kinds, including electric energy; and
- (c) personal property acquired for resale.

The Cooperative may not otherwise sell, mortgage, lease or otherwise dispose of or encumber its property unless such sale, mortgage, lease or other disposition or encumbrance is approved by the affirmative vote of the majority of the entire membership of the Cooperative, and the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting of the members; provided, however, that notwithstanding anything herein contained, the Board of Directors of the Cooperative shall have full power and authority, without authorization by the members of the Cooperative, to borrow money from the United States of America, or any agency or instrumentality thereof, or from a national financing institution, organized on a cooperative plan, for the purpose of financing its members' programs, projects and undertakings, in which the Cooperative holds membership, or to any other entity, and in connection with such borrowing to authorize the making and issuance of bonds, notes and other evidence of indebtedness and, to secure the payment thereof, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, to the pledging and encumbering of any and 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 therefrom, all upon such terms and conditions as the Board of Directors shall determine.

ARTICLE X FISCAL YEAR

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

ARTICLE XI MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative shall not become a member of any other organization without an affirmative vote of the members at a meeting called as provided in these Bylaws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business,

except that the board of directors is authorized and directed by the members to join and belong to the Georgia State Chamber of Commerce and the Chambers of Commerce in the Cooperative's service area, together with such other cooperative organizations whose purpose is the up-building and service of electrical and telephonic cooperatives.

ARTICLE XII 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 XIII

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or except as otherwise provided by law.

STATEMENT OF NONDISCRIMINATION

Amicalola Electric Membership Corporation is the recipient of Federal financial assistance from the Rural Utility 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 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, age, or handicap 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 efforts is Patricia B. Evans, Executive Assistant. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statues and regulations listed above from and/or file a written complaint with this organization; or the Secretary, U. S. Department of Agriculture, Washington, D.C. 20250; or the Administrator, Rural Utility Service, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.

Revised 11/17/05

RULES AND REGULATIONS GOVERNING EXTENSION OF SERVICE AND OPERATIONS

These rules and regulations apply to each customer. They are a part of every contract for service made with the Cooperative unless modified by special terms written therein, and govern all classes of service. These rules and regulations are in accordance with provisions of the Bylaws and may be amended from time to time to meet the requirements of the Cooperative and its customers.

I. AVAILABILITY OF ELECTRIC SERVICE

Service is available to everyone who can be reached by

electric distribution lines of the Cooperative, either directly or by extension under the officially announced extension rules

of RUS, and within the policies of the Cooperative by entering into a service contract with the Cooperative as a customer applicant and depositing a membership fee.

a. Place of Application

An application for service may be made at an office of the Cooperative or by other means at the discretion of the Cooperative. The application must contain a description of the exact location of the premises, etc., and any other necessary information the Cooperative may require whether the applicant is the owner, agent, or tenant of the premises.

b. Right to Reject

The Cooperative reserves the right to reject any application which is not applicable under its rate schedule or which involves excessive costs which might affect the supply of service to others.

c. Special Contracts

In cases where large or special investment is necessary to supply service, contracts with special guarantee of revenue may be requested to safeguard such investments.

d. Acceptance

An application or contract when accepted by the Board of Directors shall constitute the contract between the customer and the Cooperative, and no agent or employee of the Cooperative has the power to modify, alter, or waive any of its conditions. Charges for service will begin on the day electric service is made available to the customer of the Cooperative. The customer will be billed each month in accordance with the terms of the contract or rate schedule.

II. CLASSIFICATION OF CUSTOMERS

Services shall be classified for the purpose of determining the applicable rate schedule in accordance with the nature of the customer's use or establishment. If in doubt on which rate applies, you may inquire at the headquarters.

a. Residential - Applicable for domestic use of a residential customer for year-round service supplied through one meter of a dwelling that is owner occupied, rented or leased for more than one month, for separately metered non-commercial use of residential customers, and for churches requiring single-phase service. Excluded from residential service are hotels, motels, time-share facilities, camper sites, or for other commercial use. Service may not be resold or transmitted to another premise.

b. Farm - Applicable for poultry farms, dairies and other agricultural operations as may be determined by the Cooperative and supplied through one meter.

c. General Service - Applicable for non-residential use and churches requiring three-phase service with transformer capacity of 50 kVa or less. No service rendered hereunder may be resold, nor transmitted to other premises, either directly or indirectly, without the expressed written permission of the Cooperative.

d. Large Power Service - Applicable to commercial customers and churches requiring greater than 50 KVA of transformer capacity. No service rendered hereunder may be resold, nor transmitted to other premises, either directly or indirectly, without the expressed written permission of the Cooperative.

e. School Service - Applicable to State, County, and City institutions or for private schools offering regular elemen-

tary, middle, and high school, college or technical courses. No service rendered hereunder may be resold nor transmitted to other premises, either directly or indirectly, without the expressed written permission of the Cooperative.

f. Outdoor Lighting - Applicable only to outdoor security light by ballast operated vapor lamp fixtures, or high pressure sodium (HPS), and poles conforming to the Cooperative's specifications.

g. Temporary Service - Applicable for temporary facilities at single-phase standard voltage.

h. Required Transformer Capacity - The term "required transformer capacity" used in connection with determining the minimum bill under a rate schedule or in distinguishing between the use of the Small Commercial Rate Schedule and Large Power Schedule shall mean the transformer capacity required to carry the customer's load rather than the transformer capacity installed. The Cooperative may find it feasible to install a transformer larger than is actually required where two or more members are served from the same transformer. The minimum charge for each shall be based on the transformer capacity which would normally be installed for the customer's individual requirement.

III. DEPOSITS AND FEES

a. Security Deposit - The customer may pay a security deposit before becoming eligible for service. An additional security deposit may be required depending on the service risk of the customer or premises. Factors that may be used to determine the deposit amount include but are not limited to, the type of service, the credit rating of the customer, the history of connects and disconnects of the customer or premises and any other factor that has a realistic bearing on the customer. At the Cooperative's discretion, commercial or business classifications (as defined in Rules & Regulations Governing Extension of Service and Operations, Part II, Classification of Customers) may file a Surety Bond or an Agreement of Surety in lieu of a cash deposit. Should the Surety Bond and Agreement of Surety be terminated, a cash deposit will be due immediately in an amount to be determined by the Cooperative.

b. Membership Fees - Other fees may apply.

c. Interest - Deposits for service earn no interest.

d. Refund of Deposit - The deposit(s) will be refunded upon termination of service provided all indebtedness to the Cooperative has been paid.

e. Transfer and Termination of Membership is explained in Article I, Section 7 of the Bylaws.

IV. PRIOR DEBTS

Service will not be furnished to former customers until all previous indebtedness to the Cooperative has been paid.

V. CUSTOMER INSTALLATION

a. Wiring and Equipment - The customer's wiring, service entrance equipment, and meter connections shall be installed in conformance with Cooperative requirements, the National Electrical Code, state and local codes. The Cooperative may refuse to make connections to customer's wiring or to continue service whenever, in its judgment, such

installation is not in proper operating condition. All major changes in the wiring will be subject to the National Electrical Code, state and local codes, and must be called to the attention of the Cooperative. It is understood that such changes are to be made without any liability to the Cooperative.

b. Auxiliary Generators - Before installing and operating a standby motor generating unit, advise the Cooperative. Proper switch gear must be installed as serious safety problems are involved in the operation of such equipment. For detailed instructions, consult the Cooperative office.

c. Point of Delivery - The customer should consult with the Cooperative and provide the exact location of the premises and the details of all current-consuming devices which will be installed. The Cooperative will designate a point of delivery at which service connections will terminate and near which the customer must provide a satisfactory and suitable place for the transformer(s), meter(s), or other equipment which may be necessary for the fulfillment of such contracts that the customer may enter into with the Cooperative.

d. Relocation of Point of Delivery - If the Cooperative should be required by a customer to place underground any portion of its wires, service, or supply lines, or to relocate or alter any pole line services or other apparatus solely for the customer's benefit or pleasure, the customer shall bear the cost of such alterations, addition, or relocation, and also bear the cost to change the location of the service entrance.

e. Underground Service - Customers desiring underground electrical service will be provided with the required terms and specifications.

f. Non-Standard Service - The customer shall own, maintain, and operate all substations and transforming equipment where voltage, phase or frequency is desired other than that under which service is rendered and metered.

g. Service Connections - Service connections will not be made until the wiring of the premises has been completed in accordance with the National Electrical Code, state and local codes, and the Cooperative's requirements. The Cooperative is under no obligation to inspect or approve the customer's wiring. This is the customer's responsibility and is necessary for the protection of the customer. The Cooperative is not responsible for any defects in the wiring or devices of the customer.

h. Centralized Poles - Customers wishing their service entrance on a centralized pole shall consult with the Cooperative and provide exact locations of the premises and details of all current-consuming devices installed or to be installed. The Cooperative will meet with the customer to designate the appropriate location of a pole of proper height and class. The customer shall be responsible for the cost of the installation. The customer shall furnish and install the service entrance equipment thereon according to the National Electrical Code, state and local codes, and Cooperative requirements, and provide space for the metering equipment furnished by the Cooperative. All meter poles must be equipped with a raintight disconnect and shall become and remain property of the customer to be owned

and maintained by the customer.

i. Limit of Responsibility - The Cooperative will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines, equipment, or apparatus beyond this point except meters and meter accessories unless specifically provided for in rate schedules or agreements.

VI. CUSTOMER'S RESPONSIBILITY

a. Nature of Service - The Cooperative's responsibility extends only to the supplying of service at the point of delivery. The customer is warned of the risk of damage to property and the possibility of fire or personal injury resulting from improper wiring, manner of attachment, or use and maintenance of electric appliances, fixtures, and apparatus, and is advised to allow no one except licensed electricians to install or make any change, alteration, additions, or repairs to any part of the installation.

b. Customer's Liability - The Customer shall be responsible for the electrical service and all current carrying devices on any premises at and beyond the point of delivery.

c. Changes in the Customer's Wiring and Equipment - All equipment supplied by the Cooperative for the use of each customer has definite capacity and for this reason it shall be the responsibility of the customer to notify the Cooperative in writing before any change is made in the load characteristics, purpose, or locations of the installation. FAILURE TO GIVE SUCH NOTICE SHALL RENDER THE CUSTOMER LIABLE FOR ANY DAMAGE TO METER, ACCESSORIES, TRANSFORMERS, OR WIRES CAUSED BY THE ADDITIONAL OR CHANGED INSTALLATION.

d. Protection by the Customer - The customer shall protect equipment of the Cooperative on said premises and shall not interfere with, alter, or permit interference with meters or other property except by duly authorized representatives of the Cooperative. The cost for necessary replacements and repairs to correct damage to the property of the Cooperative due to, caused by, or arising from, carelessness, neglect or misuse by the customer or other unauthorized persons, shall be paid by the customer.

e. Tampering - If the meters or other property belonging to the Cooperative are tampered or interfered with, the customer being supplied through such equipment shall pay the amount which the Cooperative estimates are due for service rendered but not registered on the meter. Customer shall also pay for such replacements and repairs as are necessary as well as for costs of inspection, investigation, protective installations and tampering fees.

VII. CONTINUITY OF SERVICE

a. Regularity of Supply - The Cooperative will endeavor to furnish continuous service but will not guarantee uninterrupted service. It is not liable for any damage which the customer may sustain by reason of the failure or partial failure of the energy, or failure or reversal of phases, or variation in service characteristics whether caused by accident, repairs or other causes. Neither is the Cooperative liable for damage that may be incurred by the use of any service wiring, connections, instruments, services, or electrical appliances, installed by or for the customer. The

Cooperative is not liable for damage that may be incurred due to the presence of the Cooperative's property on the customer's premises. In case the customer required three-phase service, the installation and maintenance of adequate running over current protective devices to protect against single-phase conditions and phase reversal are variable, and their installations and maintenance are the responsibility of the customer.

The Cooperative shall not be responsible because of service interruptions or variations in service resulting from acts of God, or public enemies, accidents, strikes, riots, wars, repairs, orders of Court, or other acts reasonably beyond the control of the Cooperative. It shall not be liable for damages directly or consequential, resulting from such interruption or failure.

b. Notice of Trouble - The customer shall give immediate notice at the office of the Cooperative of any interruptions, irregularities, or unsatisfactory service, and of any defects known to the customer.

The Cooperative may at any time that it deems necessary suspend the supply of electrical energy to any customer for the purpose of making repairs, changes, or improvements on any part of its system. The Cooperative shall make an effort to furnish reasonable notice of such discontinuance to members whenever possible.

VIII. RIGHT TO DISCONTINUE SERVICE

a. Without Notice - The Cooperative reserves the right to discontinue the supply of electric service to any customer without notice for any of the following reasons:

- Fraudulent representation of the use of electric service.
- Any disapproval of customer's equipment or installation because of defects or hazardous conditions.
- Repair or emergency operations
- Unavoidable shortage or interruptions in the Cooperative's source of supply.
- Protection of the Cooperative system from fraud or abuse.
- Cancellation of contract or termination of membership.

b. With Reasonable Notice - The Cooperative reserves the right to discontinue service with reasonable notice for:

- Nonpayment of bill.
- Access to meter is refused, obstructed, or hazardous.
- Violation of Bylaws, Rules and Regulations, or standard requirements.

IX. RECONNECT CHARGE

When service to any customer is discontinued for reasons other than repair or emergency operations, a charge deemed sufficient to cover the cost of disconnecting and reconnecting will be made, and the Co-op will request the charge be paid before reconnect is made.

X. FOREIGN ELECTRICITY

No other source of supply of electricity shall be

introduced or used by the customer in conjunction with the service supplied without the consent of the Cooperative.

XI. RESALE OF SERVICE

All purchased electric service on the premises of the customer shall be supplied exclusively by the Cooperative and the customer shall not directly or indirectly, sell, sublet, assign, or otherwise dispose of the electric current, or any part thereof, without the consent of the Cooperative.

XII. METERS

a. Separate Meter for Each Service

- The Cooperative will normally furnish a single meter for each class of service at the point of connection to the customer's premises. Any customer desiring service at two or more separately metered points of connection to the distribution system shall be billed separately at each such point and the recording of such meters shall not be added for billing purposes.
- If it is found that more than one establishment is being served through one meter, the Cooperative will adjust the billing each month after discovery until the owner of the premises has separated the residences or establishments so that each residence or establishment is served through a separate meter. The adjustments in the billing will be made as follows: *If there are two or more establishments served from one meter, then each block of the rate will be multiplied by the number of homes or establishments served through the one meter and the bill rendered in accordance with the new schedule thus obtained.*
- Metering for certain classes of customers will be based on specifications in each rate class.

b. Tests - The Cooperative at its expense will make periodic test inspections of its meters in order to maintain them at a high standard of accuracy. The Cooperative will make additional tests or inspections of its meters at the request of a customer, but it reserves the right to make a charge sufficient to cover the expense involved when such tests show the meter to be within two percent correct.

c. Adjustment - When a meter is tested and found to be inaccurate, an adjustment will be made in the kilowatt hour registration over a period of three months and according to the percentage of inaccuracy as determined by the test. When a meter fails to correctly register the amount of electricity consumed during any period, the amount of the bill will be established by averaging the amount for the period immediately preceding such defective registration.

d. Special Instruments - The Cooperative shall have the right, at its option and at its expense, to place special meters or instruments on the premises of a customer.

XIII. METER READING AND BILLING

a. System - Each month the Cooperative or its agents will read the electric meters for billing purposes. Reading dates may vary due to weekends, holidays or other factors and may be changed by the Cooperative to improve meter reading schedules. The Cooperative shall have the right of

ingress and egress for the purpose of reading meters, removing, testing, maintaining any and all equipment or facilities which are the property of the Cooperative. If a meter cannot be read, the meter reading and kWh use will be estimated based on the customer's previous usage. Once the Cooperative obtains an actual meter reading the customer's usage will be corrected on the next bill.

b. Billing Period - Bills for regular service will be rendered monthly and shall be due on the date determined by the Cooperative. Bills for special or short-term service (including the cost of connecting and disconnecting) may be rendered at the discretion of the Co-op and shall be payable on demand. All bills for regular service are payable monthly at the offices of the Co-op or at such other designated places.

c. Prompt Payment - Any customer paying a bill by the due date shall be entitled to pay the net amount. Failure to pay the net amount by the due date will result in a late charge to help offset additional costs incurred in handling such accounts.

d. Failure to Pay - If the bill is not paid on or before the due date each month as noted on the bill, the bill becomes delinquent, a late charge is added to the bill, and the service is subject to disconnection. If the account plus service charges are not paid, the service will be disconnected at the pole and/or the meter removed. When a representative from the Co-op must go out to the premises to collect an overdue account, the customer will be charged a service charge. Any delinquent account will be subject to additional charges as provided in the rate schedule.

e. Failure to Receive Bill - Failure to receive a monthly bill does not relieve a customer's obligation for payment. A customer may obtain the balance of the account by contacting the local office.

XIV. NEWSLETTER INFORMATION

A portion of the funds accrued by Amicalola Electric Membership Corporation goes for the printing and mailing of the Cooperative's newsletter.

XV. RIGHTS-OF-WAY

As a condition of membership, each customer upon being requested by the Cooperative shall execute and deliver to the Cooperative without charge, easements of right-of-way over, on, and under such lands owned or leased by or mortgaged to the customer, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to him or other customers, or for the construction, operation, maintenance, or relocation of the Cooperative's electric facilities.

XVI. BEGINNING AND ENDING SERVICE

Any person receiving service without first notifying the Cooperative so that the meter can be read will be held responsible for any amount due for service supplied to the premises from the last reading of the meter immediately preceding his occupancy.

Notice of discontinuance of service prior to the expiration of a contract term will not relieve customer from any minimum or guaranteed payment under any contract or

rate.

XVII. GENERAL

Office of the Cooperative - Whenever these regulations provide that notice be given or sent to the Cooperative or office of the Cooperative, or to a customer, such notice delivered or deposited in the U. S. mail with postage prepaid shall be deemed sufficient.

Waiver of Rights - The failure of the Cooperative to enforce any of the terms of these regulations shall not be deemed as a waiver of the right to do so.

Billing Changes - Where customers are found to be on an inappropriate rate, the appropriate rate will apply to all bills from the time premises became subject to such rate.

Payment - Applicants for service will purchase all electric energy used on their premises and will pay for the electric energy monthly at the Cooperative's prevailing rates.

Right of Access - The Cooperative shall have right-of-access to the customer's premises at all times for the purpose of carrying out Cooperative business.

Revised: November 19, 2009