



BYLAWS OF BLUE RIDGE ELECTRIC COOPERATIVE, INC.

Amended Through April 23, 2020

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ARTICLE 1 - MEMBERSHIP

Section 1.01 Requirements for Membership.

Any person, firm, association, corporation, or body politic or subdivision thereof will become a Member of Blue Ridge Electric Cooperative, Inc. (hereinafter called the “Cooperative”) upon receipt of electric service from the Cooperative, provided that he or it has first:

- a. Made an application for membership therein;
- b. Agreed to purchase from the Cooperative electric power and energy as hereinafter specified;
- c. Agreed 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 Trustees; and
- d. Paid the membership fee hereinafter specified. No Member may hold more than one (1) membership in the Cooperative and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.

Section 1.02 Joint Membership.

A legally married couple 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 legally married holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- a. The vote of either separately or both jointly shall constitute one (1) joint vote;
- b. A waiver of notice signed by either or both shall constitute a joint waiver;
- c. Notice to either shall constitute notice to both;
- d. Expulsion of either shall terminate the joint membership; and
- e. Either but not both may be elected or appointed as an officer or Trustee, provided that both meet the qualifications for such office.

Section 1.03 Effect of Death, Legal Separation or Divorce Upon Joint Membership.

Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the estate of the deceased spouse shall not be released from any debts due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the other spouse shall not be released from any debts due the Cooperative.

Section 1.04 Membership Service and Fees.

The membership fee shall be Five and No/100 Dollars (\$5.00). A service fee shall be charged for each additional meter location.

Section 1.05 Purchase of Electric Power and Energy and Other Services.

Each Member shall, as soon as electric power and energy shall be available, purchase from the Cooperative all electric power and energy used on all premises specified in his/her application for membership, unless otherwise authorized in writing by the Cooperative, and shall pay therefore at rates which shall from time to time be fixed by the Board of Trustees. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Board of Trustees. It is expressly understood that amounts paid for electric power and 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 regardless of the amount of electric power and energy consumed, as shall be fixed by the Board of Trustees from time to time. Each Member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable. The Cooperative or its subsidiary may market other services to both Members and non-Members alike.

Section 1.06 Termination of Membership.

Any Member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of all the Trustees, expel any Member who shall have refused or failed to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules or regulations adopted by the Board of Trustees, but only if such Member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or failure shall have continued for at least ten (10) days after such notice was given. Any expelled Member may be reinstated by vote of the Board of Trustees or by vote of Members at any annual or special meeting. Upon the withdrawal, death, cessation of existence, or expulsion of a Member, the membership of such Member shall thereupon terminate, and the membership certificate, if any, of such Member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a Member or his/her estate, nor does it in any way forfeit, diminish, or affect the patronage capital account of the terminated Member from any debts due the Cooperative.

ARTICLE II - RIGHTS AND LIABILITIES OF MEMBERS

Section 2.01 Property Interest of Members.

Members shall have no individual or separate interest in the property or assets of the Cooperative except that upon dissolution the property and assets of the Cooperative remaining after all debts and liabilities of the Cooperative are paid shall be distributed among the Members in the proportion which the aggregate patronage of each Members bears to the total patronage of all Members during

the seven years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

Section 2.02 Non-liability for Debts of the Cooperative.

The private property of the Members shall be exempt from execution or other liability for the debts of the Cooperative and no Member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

Section 2.03 Responsibility for Protecting Cooperative Facilities.

Each Member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service and shall permit the Cooperative's authorized employees, agents, and independent contractors to have access thereto for inspection, maintenance, replacement, relocation, or repair thereof at all reasonable times. As part of the consideration for such service, each Member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of, or causing damage to such facilities, and shall use his/her best efforts to prevent others from so doing. In the event such facilities are interfered with, impaired in their operation, or damaged by the Member, or by any other person when the Member's reasonable care and surveillance could have prevented such, the Member shall indemnify the Cooperative and any other person against death, injury, loss, or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing, or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on such premises, or beyond the combination circuit breaker meter base panel if such is owned and maintained by the Cooperative, except that the Cooperative shall, in accordance with its applicable service rules and regulations, indemnify the Member for any overcharges for service that may result from a malfunctioning of its metering equipment.

ARTICLE III - MEETINGS OF MEMBERS

Section 3.01 Annual Meeting.

The Annual Meeting of the Members shall be held at the Cooperative headquarters, or as otherwise designated by the Board of Trustees and 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 Members at the meeting. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Section 3.02 Special Meetings.

Special meetings of the Members may be called by resolution of the Board of Trustees, or upon a written request signed by any three (3) Trustees, by the Chairman, or by ten percent (10%) or more of all the Members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the Members may be held at any

place within the counties of Anderson, Greenville, Oconee, and Pickens, State of South Carolina, specified in the notice of the special meeting.

Section 3.03 Notice of Members' Meeting.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, a district meeting, or an Annual Meeting at which business other than that listed in Section 3.08 of this Article is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days, or thirty (30) days if the meeting includes an election, nor more than forty-five (45) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary by the persons calling the meeting, to each Member. No matter, the carrying of which, as provided by law or these Bylaws, requires the affirmative votes of at least a clear majority of all of the Cooperative's Members shall be acted upon at any meeting of the Members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at his/her 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, district, or special meeting of the Members shall not invalidate any action which may be taken by the Members at any such meeting.

Section 3.04 Quorum.

The minimum required by South Carolina law, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. When a quorum is once present to organize a meeting, the Members who remain present may continue to do business at the meeting, or at any adjournment thereof, notwithstanding the withdrawal of enough Members to leave less than a quorum. A vote cast by a Member at an early voting site, as provided in Section 3.07, counts for purposes of determining the presence of a quorum at the meeting where the election is to be held.

Section 3.05 Voting.

Each Member shall be entitled to only one (1) vote regardless of the number of service connections. All questions shall be decided by a vote of a majority of the Members voting thereon, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. No proxy voting shall be permitted, nor shall any Member be allowed to vote by mail. For meetings that include the election of Trustees, polling locations must be open for a minimum of four (4) hours.

Section 3.06 Voting Districts.

The territory served or to be served by the Cooperative shall be divided into four (4) districts and have representation by Trustees as follows:

District No. 1 – All of Oconee County, which shall be represented by three (3) Trustees.

District No. 2 – All of Pickens County, which shall be represented by four (4) Trustees.

District No. 3 – The northern part of Greenville County and the northwestern part of Spartanburg County which shall be represented by one (1) Trustee.

District No. 4 – The northern and western portions of Anderson County, which shall be represented by one (1) Trustee.

From time to time, the Board of Trustees shall review the composition of the districts, and, if it shall be found that substantial inequalities in representation have developed which can be corrected by a re-delineation of districts, the Board of Trustees may reconstitute the districts to correct substantial inequalities in representation.

Section 3.07 Nomination and Election of Trustees.

a. Nomination at District Meetings.

Not less than thirty (30) days nor more than ninety (90) days before any meeting at which Trustees are to be elected, the Board of Trustees shall call a separate meeting of the Members of each district at a suitable place in such district for the purpose of nominating candidates for each Trusteeship allocated to a given district to represent the Members located within said district. The notice of such meeting shall be delivered to each Member located in such district as provided in Section 3.03 of this Article and shall indicate the district to which such Member belongs. The notice shall state that nominations for Trustees are to be made at the meeting. The meeting shall, however, be open for the discussion of any other matters pertaining to the business of the Cooperative, regardless of whether or not such matters were listed in the notice of the meeting, and recommendations with respect thereto may be submitted to the Board of Trustees or the entire membership.

The district meeting shall be called to order by the Trustee representing the district or by another designated representative of the Board of Trustees, or, in his/her absence, by any Member residing within the district. The presiding officer shall then proceed to appoint a chairman, who shall be someone other than a Trustee, and who shall then appoint a secretary to act for the duration of the meeting. Incumbent Trustees seeking reelection may not appoint, direct, or cause a Close Relative or Family Member to serve as the chairman or secretary at the district meeting. Fifteen (15) Members residing in the district present at such duly called district meeting shall constitute a quorum; however, the chairman may declare a quorum. Members of other districts present at the meeting may be heard but shall have no vote. Nominations for candidates for Trustee shall be made from the floor at the meeting, and any Member residing in the district shall have the right to nominate one (1) candidate. The meeting shall remain open for nominations until no further nominations are forthcoming. Candidates must be Members whose principal residence, as determined by South Carolina voter registration law, is located in the district and must possess the qualifications for Trustee specified in Section 4.02 of Article IV of these Bylaws. Incumbent Trustees seeking reelection shall not directly or indirectly influence the nomination or credentials process.

Voting shall be by ballot. Each registered Member may vote for one (1) candidate. The three (3) candidates receiving the highest number of votes shall be declared the official

candidates of the district, provided however, that in order to be an official candidate of the district, a candidate must receive at least twenty percent (20%) of the total votes cast by registered Members for the district. If a candidate does not receive at least twenty percent (20%) of the total votes cast at the district meeting, he or she will not be included as one of the district's official candidates on the ballot at the Annual Meeting. The minutes of such district meeting shall set forth, among other matters, the total number of registered Members, the name of each person nominated at the meeting and the number of votes received by each, and shall specify the three (3) candidates of the district. A copy of the minutes shall be kept on file at the Cooperative office.

b. Election of Trustees.

Not less than thirty (30) days before an Annual or special meeting of the Members at which Trustees are to be elected, Secretary of the Cooperative shall mail to each Member a list of the candidates selected at all district meetings, the names to be arranged by districts and in the order of preference indicated by the respective district vote. This list may be included with the notice of the meeting. At the meeting, the names of the official candidates of each district shall be placed in nomination. Election of Trustees shall be by ballot unless there is only one (1) candidate nominated at the district meeting, in which case, said nominee may be elected as Trustee by acclamation of the Members present at the Annual Meeting. When at least one (1) of the races for Cooperative Trustee is contested prior to the Annual Meeting, the Cooperative will provide a method by which the Members may cast a ballot in an election for Trustees on a day other than, and before, the Annual Meeting day. The method for this alternative early voting will allow for voting by Cooperative Members from the hours of 7:00 a.m. to 7:00 p.m. and will include reasonable accommodations for elderly, disabled, or infirmed Members. The ballots shall list the candidates selected at the district meetings, the names to be arranged by district and in the order of preference indicated by the respective district vote. Each Member of the Cooperative shall be entitled to vote for one (1) candidate from each district. The candidate from each district receiving the highest number of votes shall be considered elected as Trustee.

Section 3.08 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:

1. Declaration of the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be, or by vote of the Members to suspend the reading thereof.
3. Reading of unapproved minutes of previous meetings of the Members and the taking of necessary action thereof, or by vote of the Members to suspend the reading thereof.
4. Presentation and consideration of reports of officers, Trustees and committees.
5. Unfinished business.
6. New business.
7. Report on Trustee election.
8. Adjournment.

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

ARTICLE IV - TRUSTEES

Section 4.01 General Powers.

The business and affairs of the Cooperative shall be managed by a Board of nine (9) Trustees which shall exercise all of 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 4.02 Qualifications and Tenure.

The Board of Trustees shall be composed of nine (9) persons as heretofore and hereafter duly elected by and from the Members at the Annual Meeting in compliance with these Bylaws. At each Annual Meeting of the Members, three (3) Trustees shall be elected by ballot by and from the Members to serve for a term of three (3) years and until their respective successors shall have been elected and shall have qualified. The principal residence, as determined by South Carolina voter registration law, of each Trustee elected at each such meeting shall be located in the district in which the Trustee resides whom he or she is to succeed.

No person shall be eligible to become or remain a Trustee or to hold any position of trust in the Cooperative who:

- a. is not a Member of the Cooperative for at least two (2) years and a bona fide principal resident of the particular district which he or she is to represent; or
- b. is in any way employed by or holds a financial interest in a competing energy enterprise, a business selling electric power to the Cooperative, or a business that is primarily engaged in the sale of electrical appliances, fixtures, or supplies to Members of the Cooperative; or
- c. is or has been employed by the Cooperative as a regular employee; or
- d. holds any public office which is popularly elected; or
- e. has been convicted in a state or federal court of record of a crime punishable by imprisonment for more than one (1) year and not having had the civil rights restored by pardon or amnesty; or
- f. has a Close Relative or Family Member who is a regular employee of the Cooperative; or
- g. has been party to legal actions involving the Cooperative or other affiliated Cooperative organizations in a court of law within the thirty-six (36) month period preceding nominations at the district meeting.
- h. has a direct business relationship with the Cooperative that is distinct from or in addition to the Trustee's mandatory Cooperative membership.

As used in these Bylaws, “Close Relative” and “Family Member” includes a spouse, parent, brother, sister, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, and a member of the individual’s immediate family. Upon establishment of the fact that a Trustee is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Trustees to remove such Trustee from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Trustees.

Section 4.03 Removal of Trustees by Members.

Any Member may bring charges against a Trustee by filing such charges in writing with the Secretary, together with a petition signed by at least ten percent (10%) of the Members and request the removal of such Trustee by reason thereof. The Trustee against whom such charges have been brought shall be informed in writing of the charges at least five (5) days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges, and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Trustee shall be considered and voted upon at the next regular or special meeting of the Members and any vacancy created by such removal may be filled by vote of the Members at such meeting without compliance with the foregoing provisions with respect to nominations, except that the new Trustee must reside in the same district as the Trustee in respect of whom the vacancy occurs.

Section 4.04 Vacancies.

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Trustees by the Members, a vacancy occurring on the Board must be filled by the membership at the next Annual Meeting for the remainder of the unexpired term. However, if the vacancy occurs more than six (6) months from the next Annual Meeting, a Nominations Committee may be appointed by the Board of Trustees to choose an Interim Trustee to serve until the next Annual Meeting. At the next Annual Meeting, the Interim Trustee may run for the remainder of the unexpired term. In exercising its authority pursuant to this provision, the Nominations Committee may not appoint a Family Member or Close Relative of the Trustee whose departure created the vacancy. Additionally, the Nominations Committee may not appoint an individual associated with the Trustee whose departure created the vacancy. For purposes of this Section, “associated” includes an individual with whom the person or a member of their immediate family mutually has an interest in any business of which the person or a member of their immediate family is a director, officer, owner, employee, compensated agent, or holder of stock worth one hundred thousand dollars (\$100,000) or more at fair market value and which constitutes five percent (5%) or more of the total outstanding stock of any class. Any Interim Trustee or successor Trustee must be from the same Trustee district as the Trustee whose office was vacated.

Section 4.05 Compensation.

For their services as such, Trustees shall receive such compensation, which may include travel, expenses, and other benefits, as is provided by resolution of the Board of Trustees; provided however, such compensation shall be paid only for actual attendance at activities authorized by the

Board of Trustees. A Trustee shall not be employed by the Cooperative in any other capacity involving compensation.

ARTICLE V - MEETINGS OF TRUSTEES

Section 5.01 Regular Meetings.

A regular meeting of the Board of Trustees shall be held without notice other than this Bylaw, immediately after the Annual Meeting of the Members. A regular meeting of the Board of Trustees shall also be held monthly at such time and place in Pickens, Oconee, Greenville, or Anderson County, South Carolina, as the Board of Trustees may provide by action fixing the time and place thereof.

Section 5.02 Special Meetings.

Special meetings of the Board of Trustees may be called by the Chairman, by any three (3) Trustees, or by the President and CEO. It shall be the responsibility of either the Secretary or the President and CEO to provide proper notice of such meeting. The Chairman, the three (3) Trustees, or the President and CEO, shall establish the time and location for the conducting of the meeting. Special meetings, upon proper notice as otherwise provided in Section 5.03, may also be held via telephone conference call, without regard to the actual location of the Trustees at the time of such a telephone conference meeting, if all the Trustees consent thereto. During special meetings, the Board may not act regarding rates, fees, charges, Board composition, or Board compensation.

Section 5.03 Notice of Trustee Meetings.

Written notice of the time, place, and purpose of any regular meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least ten (10) days in advance of the regular meeting. Written notice of the time, place, and purpose of any special meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least twenty-four (24) hours in advance of the special meeting. Such special meeting notice shall be delivered not less than two (2) days previous thereto, by written, oral, or electronic means, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Trustees calling the meeting, to each Trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

Section 5.04 Quorum.

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

ARTICLE VI - OFFICERS

Section 6.01 Number.

The officers of the Cooperative shall be Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as the Board of Trustees may from time to time determine. The offices of Secretary and Treasurer may be held by the same person.

Section 6.02 Election and Term of Office.

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

Section 6.03 Removal of Officers and Agents by Trustees.

Any officer or agent elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any Member of the Cooperative may bring charges against an officer by filing such charges in writing with the Secretary, together with a petition signed by ten percent (10%) of the Members and request the removal of the particular officer by reason thereof. The officer against whom such charges have been brought shall be informed in writing of the charges at least five (5) days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges, and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such officer shall be considered and voted upon at the next regular or special meeting of the Members.

Section 6.04 Chairman.

The Chairman shall:

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

Section 6.05 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. The Vice Chairman shall also perform such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 6.06 Secretary.

The Secretary shall:

- a. be responsible for preparing, or supervising the preparation of, minutes of Board and Member meetings;
- b. see that all notices are duly given in accordance with these Bylaws or as required by law;
- c. be responsible for maintaining and authenticating the Cooperative records; and
- d. in general, perform all other duties, shall have all other responsibilities, and may exercise all other authority prescribed by the Board of Trustees.

Section 6.07 Treasurer.

Except as otherwise provided by the Board of Trustees or these Bylaws, the Treasurer shall perform all duties, shall have all responsibility, and may exercise all authority prescribed by the Board of Trustees.

Section 6.08 Delegation of Secretary's and Treasurer's Responsibilities.

Notwithstanding the duties, responsibilities and authorities of the Secretary and Treasurer herein provided in Sections 6 and 7 of this Article, the Board of Trustees by resolution may delegate, wholly or in part, the responsibility and authority for, and the regular and routine administration of, one or more of each such officer's duties to one or more agents, other officers or employees of the Cooperative who are not directors.

Section 6.09 President and Chief Executive Officer.

The Board of Trustees may appoint a President and Chief Executive Officer, who may be, but who shall not be required to be, a Member of the Cooperative. The President and Chief Executive Officer shall perform such duties and shall exercise such authority as the Board of Trustees may from time-to-time vest in him.

Section 6.10 Bonds of Officers.

At the Cooperative's expense, the Cooperative may purchase a bond covering a Cooperative official.

Section 6.11 Reports.

The officers of the Cooperative shall submit, or direct to be submitted, 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 conditions of the Cooperative at the close of such fiscal year.

ARTICLE VII - DISPOSITION OF REVENUES AND RECEIPTS

Section 7.01 Disposition of Revenues and Receipts.

Revenues of the Cooperative for any fiscal year in excess of the amount thereof necessary:

- a. to defray expenses of the Cooperative and of the operation and maintenance of its facilities during such fiscal year;
- b. to pay interest and principal obligations of the Cooperative and of the operation and maintenance of its facilities during such fiscal year;
- c. to finance, or to provide a reserve for the financing of, the construction or acquisition by the Cooperative of additional facilities to the extent determined by the Board of Trustees;
- d. to provide a reasonable reserve for working capital;
- e. to provide a reserve for the payment of indebtedness of the Cooperative maturing more than one (1) year after the date of the incurrence of such indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next following fiscal year; and
- f. to provide a fund for education in cooperation and for the dissemination of information concerning the effective use of electric energy and other services made available by the Cooperative, shall, unless otherwise determined by a vote of the Members, be credited to or be distributed among its patrons in proportion to their patronage during the fiscal year in which such revenue and receipts were received, in accordance with the following principles and regulations.

Section 7.02 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 7.03 Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all patrons, Members and nonmembers alike, will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obliged to account on a patronage basis to all its patrons, Members and non- Members alike, for all amounts received and receivable from the furnishings of electric energy in excess of the amounts required for items (a), (b), (c), (d), (e), and (f), in this Article properly chargeable against the furnishing of electric energy. All such amounts in excess of the amounts required for said items at the amount of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, Members and nonmembers alike, as capital.

The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of the amounts required for said items. The books and records of the Cooperative shall be set up 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, upon request being made, advise such patron of the amount of capital so credited to his/her account. All such amounts credited to the capital account of each 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.

If at any time the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' account may be retired in full or in part. The Board of Trustees shall determine the method, basis, priority, and order of retirement, if any, for all amounts furnished as capital. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Cooperative shall equal at least twenty-five percent (25%) of the total assets of 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.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board of Trustees acting under policies of general application, shall determine otherwise. Notwithstanding any other provision of these Bylaws, the Board of Trustees, at its discretion, shall have the power at any time, upon the death of any patron, if the legal representative of his/her 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 patron immediately upon such terms and conditions as the Board of Trustees, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by its posting a copy of same in a conspicuous place in its office.

Section 7.04 Payment of Indebtedness.

Nothing herein contained shall be construed to prohibit the payment by the Cooperative of all or part of its indebtedness prior to the date when the same shall become due.

Section 7.05 Unclaimed Patronage Capital.

When a payment of patronage capital is declared and is unclaimed after more than six (6) years, and the owner or his/her legal representative cannot be located, the Cooperative will then submit

the unclaimed patronage capital to the State of South Carolina and will administer notice of the unclaimed property in a manner prescribed by the South Carolina Code of Laws. The Cooperative may impose a regular and reasonable service charge during each year in which an owner fails to claim such property held by the Cooperative.

ARTICLE VIII - DISPOSITION OF PROPERTY

Section 8.01 Disposition of Property.

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 meeting of the Members thereof by the affirmative vote of not less than two-thirds (2/3) of all 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 Trustees of the Cooperative, without authorization by the Members thereof, shall have full power and authority to authorize the execution and delivery of mortgage or mortgages, or a security interest agreement or agreements, 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 therefrom, all upon such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Cooperative to United States of America or any instrumentality or agency thereof or to National Rural Utilities Cooperative Finance Corporation or other sources.

ARTICLE IX - SEAL

Section 9.01 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, South Carolina".

ARTICLE X - FINANCIAL TRANSACTIONS

Section 10.01 Contracts.

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

Section 10.02 Checks, Drafts, Etc.

Except as otherwise provided by law or in these Bylaws, all checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer, officers, agent, 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 Trustees.

Section 10.03 Deposits.

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

Section 10.04 Fiscal Year.

The fiscal year of the Cooperative shall begin on the first day of September of each year and end on the thirty-first (31st) day of August of the following year.

ARTICLE XI - MISCELLANEOUS

Section 11.01 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 be taken upon such proposed membership as an item of business; provided, however, that the directors shall have full power and authority on behalf of the Cooperative to purchase stock in, or to become a member of, any corporation or cooperative organized on a non-profit basis for the purpose of engaging in rural electrification.

Section 11.02 Waiver of Notice.

Any Member or Trustee may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a Member or Trustee at any meeting shall constitute a waiver of notice of such meeting by such Member or Trustee, except in the case a Member or Trustee shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 11.03 Rules and Regulations.

The Board of Trustees shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation, or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

Section 11.04 Accounting System and Reports.

The Board of Trustees 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 Utilities Service of United States of America. The Board of Trustees shall, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books, and financial conditions of the Cooperative as of the end of such fiscal year. A financial summary shall be submitted to the Members at the following Annual Meeting.

Section 11.05 Area Coverage.

The Board of Trustees shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service territory and who:

- a. desire such service; and
- b. meet all reasonable requirements established by the Cooperative as a condition of such service.

Section 11.06 Law and Articles.

These Bylaws are subject to Law and the Articles of Incorporation of the Cooperative. If, and to the extent that, a Bylaw conflicts with Law or the Articles, then the Law or Articles control.

ARTICLE XII - AMENDMENTS

Section 12.01 Amendments.

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