Cooperative Bylaws of

Tri-County Electric

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Bylaws Of
Tri-County Electric Membership Corporation

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ARTICLE I - MEMBERSHIP

SECTION 1.01. Eligibility
Any natural person, firm, association, corporation, cooperative, business trust, partnership, federal, state, or local government, or departments, agencies, or any other political subdivision thereof (each hereinafter referred to as "person", "applicant", "him" or "his") shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by him, to receive electric service from Tri-County Electric Membership Corporation (hereinafter called the "Cooperative"). No person shall hold more than one membership in the Cooperative.

SECTION 1.02. Application for Membership; Renewal of Prior Application.
Application for membership—wherein the applicant shall agree to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the provisions of the Cooperative's Charter (including Articles of Conversion) and Bylaws, and all rules, regulations, rate classifications and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement being hereinafter called "membership obligations")—shall be made in writing on such form as is provided therefore by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefore by the Cooperative. The membership application shall be accompanied by the membership fee provided for in section 1.03 (together with any service security deposit, service connection deposit fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), which fee (and such service security deposit, service connection deposit or fee, facilitates extension deposit, or contribution in aid of construction, if any) shall be refunded in the event the application is not approved. Any former member of the Cooperative may, by the sole act of paying a new membership fee and any outstanding account (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

SECTION 1.03. Membership Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction.
The membership fee shall be as fixed from time to time by the Board of Directors. The membership fee (together with any service security deposit, or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative (together with a service security deposit, a facilities extension deposit or a contribution in aid of construction, if required by the Cooperative), shall be paid by the member for each additional service connection requested by him.

SECTION 1.04. Joint Membership.
A husband and wife, by specifically so requesting in writing, may be accepted into joint membership, or, if one of them is already a member, may automatically convert such membership into a joint membership. The words "member", "applicant", "person", "his" or "him", as used in these Bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally, and jointly to them. Without limiting the generality of the foregoing—

(a) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting;

(b) the vote of either or both shall constitute, respectively, one joint vote;

(c) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;

(d) suspension or termination in any manner of either shall constitute suspension or termination of the joint membership;

(e) either, but not both concurrently, shall be eligible to serve as a Director of the Cooperative, but only if both meet the qualifications required therefor.

SECTION 1.05. Acceptance into Membership.
Upon complying with the requirements set forth in Section 1.02, any applicant shall automatically become a member on the date of his connection for electric service; PROVIDED, the Board of Directors may, by resolution, deny an application and refuse to extend service upon its determination that the applicant is not willing, or is not able to satisfy and abide by the cooperative's terms and conditions of membership, or that such application should be denied for other good cause.

SECTION 1.06. Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts.
The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable electric service,

although it cannot, and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Directors may, in writing, waive such requirement, and shall pay therefore at the times, and in accordance with the rules, regulations, rate classifications, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors, and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and proration.

SECTION 1.07. Excess Payments to be Credited as Member-Furnished Capital.
All amounts paid for electric service in excess of the cost thereof shall be treated as member-furnished capital as provided in Article IX of these Bylaws.

SECTION 1.08. Wiring of Premises; Responsibility Therefore; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties; Extent of Cooperative Responsibility; Indemnification.
Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the National Electrical Code, any applicable state code or local government ordinances, and of the Cooperative. If the foregoing specifications are variant, the more exacting standards shall prevail. Each member shall be responsible for—and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of—such premises and any wiring and apparatuses connected thereto or used thereon. 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 safe access thereto for meter reading and bill collecting and for inspection, maintenance, replacement, relocation, repair or disconnection of such facilities 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 best efforts to prevent others from so doing. Each member shall also provide such protective devices to his premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. 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 should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting therefrom, including, but not limited to, the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, or revenues resulting from the failure or defective functioning of its metering equipment. The Cooperative shall, however, 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, or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative extend beyond the point of delivery.

SECTION 1.09. Member to Grant Easements to Cooperative and to Participate in Required Cooperative Load Management Programs.
Each member shall, upon being requested so to do by the Cooperative, execute and deliver to the cooperative grants of easement or right-of-way over, on and under such lands owned or leased by, or mortgaged to the member, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of electric service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities. Each member shall participate in any required program and comply with related rates and service rules and regulations that may be established by the Cooperative to enhance load management, more efficiently to utilize or conserve electric energy, or to conduct load research.

SECTION 1.10. Service to Non-Member Patrons.
Unless otherwise provided by the Board of Directors, service may be rendered to non-members, provided the number of non-member patrons does not exceed fifteen percent (15%) of the number of persons who or which are members. A person desiring service as a non-member patron shall make written application for such service on such form as is provided therefore by the

Cooperative wherein such person shall agree to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the provisions of the Cooperative's charter (including Articles of Conversion) and bylaws, and all rules, regulations, rate classifications and rate schedules established pursuant thereto, as all the same then exists or may thereafter be adopted or amended. A non-member patron shall not have the right to vote for the Directors of the Cooperative, or to vote upon any other matter.

ARTICLE II - MEMBERSHIP SUSPENSION AND TERMINATION

SECTION 2.01. Suspension; Reinstatement.
Upon his failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due to the Cooperative or to cease any other non-compliance with his membership obligations, a person's membership shall automatically be suspended; and he shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of the members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatements, and/or cessation of any other noncompliance with his membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its members.

SECTION 2.02. Termination by Expulsion; Renewed Membership
Upon failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, he may, without further notice, but only after due hearing if such is requested by him, be expelled by resolution of the Board of Directors at any subsequently held regular or special meeting of the Board. After expulsion of a member, he may not again become a member except upon new application therefore duly approved as provided in Section 1.05; but the Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

SECTION 2.03. Termination by Withdrawal or Resignation.
A member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with the approval of the Board of Directors resigning his membership in favor of a new applicant who also shall) own or directly occupy or use all premises being furnished electric service pursuant to his membership, of (b) except when the Board of Directors specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

SECTION 2.04. Termination by Death of Cessation of Existence; Continuation of Membership in Remaining or New Partners.
The death of a natural person member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership; PROVIDED, upon the dissolution for any reason of a partnership, or upon death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership had never been held by different partners; PROVIDED FURTHER, neither a withdrawing partner nor his estate shall be released from any debts then due the Cooperative.

SECTION 2.05. Effect of Termination.
Except as provided by Section 2.07, upon the termination in any manner of a person's membership, he or his estate, as the case may be, shall be entitled to refund of his membership fee (and to his service security deposit, if any, theretofore paid the Cooperative), less any amounts due the Cooperative; but neither he nor his estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member, as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute such release of such person from his membership obligations as to entitle him to purchase from any other person any central station electric power and energy for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

SECTION 2.06. Effect of Death, Legal Separation or Divorce upon a 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, 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, the other spouse shall not be released from any debts due the cooperative.

SECTION 2.07. Effect of Death of Member Leaving a Surviving Spouse; Refund or Transfer of Membership Fee.
Upon the death of a member who leaves a surviving spouse, when the membership was not joint, the surviving spouse shall be entitled to a refund of the deceased member's membership fee (and service security deposit, if any, theretofore paid the Cooperative) less any amounts due the Cooperative; or, in the event the surviving spouse then desires to become a member of the Cooperative, he or she may request that the deceased spouse's membership fee (and service security deposit, if any, theretofore paid the Cooperative) not be refunded, but, instead, be transferred on the Cooperative's records to the credit of the surviving spouse.

SECTION 2.08. Board Acknowledgement of Membership Termination; Acceptance of Member Retroactively.
Upon the termination of a person's membership for any reason, the Board of Directors, so soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing electric service to such person. Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person applies for, and the Board of Directors approves, membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership and all related records accordingly. This provision shall not apply to a person who has applied for the received service as a non-member patron per Section 1.10.

ARTICLE III - MEETINGS OF MEMBERS

SECTION 3.01. Annual Meeting.
For the purpose of hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held on the 3rd Thursday of the month of May each year, at such place in one of the counties within which the Cooperative serves, and beginning at such hour, as the Board of Directors shall from year to year fix; PROVIDED, for cause sufficient to it, the Board of Directors may fix a different day for such annual meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for, and to encourage member attendance at the annual meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture of dissolution of the Cooperative.

SECTION 3.02. Special Meeting.
A special meeting of the members may be called by the Board of Directors, by that number of directors that is one (1) less than a majority of the directors in office, or by petition signed by no fewer than ten (10%) percent of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties within which the Cooperative services, on such date, not sooner than twenty (20) days after the call for such meeting is made or a petition therefor is filed, and beginning at such hour as shall be designated by those calling the same.

SECTION 3.03. Notice of Members Meeting.
Written or printed notice of the place, date and hour of the meeting and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting shall be delivered to each member, by mail, by the Secretary (and, in the case of a special meeting, at the direction of those calling the meeting). Any such notice may be included with member service billings or as an integral part of the Cooperative's monthly newsletter or the statewide associations' magazines. No matter the approval of which, as provided by law, requires the affirmative votes of at least a majority of all the Cooperative's members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. Such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid and mailed not later than the minimally required days prior to the meeting date than notice must be given, as follows:

(1) except as otherwise provided in these Bylaws, not less than ninety (90) days prior to the date of a meeting of the members at which the Cooperative's dissolution or the sale or lease-sale of all or any substantial portion of its assets and properties devoted to and used or useful in furnishing electric service is scheduled to be considered and acted upon; or

(2) except as otherwise provided in these Bylaws, not less than forty-five (45) days prior to the date of a meeting of the members of the Cooperative at which a merger or consolidation with one or more other cooperatives is scheduled to be considered and acted upon; or

(3) if subdivision (1) or (2) foregoing is not applicable, not less than five (5) nor more than twenty-five (25) days prior to the date of the meeting.

If mailed other than by first class mail, five (5) additional days shall be added to the minimally required days as set forth above. The incidental and nonintended failure of any member to receive such notice shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver

of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 3.04. Quorum.
A quorum for the transaction of business at meetings of the members shall, except as provided in the next following sentence, and except at district meetings as provided in Article IV, Section 4.12, be the lesser of two percent (2%) of all members or one hundred (100) members; and, once such a quorum is established, the meeting may proceed to transact all business that may lawfully come before it so long as at least the lesser of one percent (1%) of all members or fifty-one (51) members remain present. In the case of a meeting of the members at which the dissolution of the Cooperative or sale or lease-sale of all or any substantial portion of its assets and property devoted to and used or useful in furnishing electric service is scheduled to be considered and acted upon pursuant, the quorum requirement shall be and shall remain through the meeting ten percent (10%) of all members. If, at any member meeting, less than the required quorum is present to enable the meeting to begin transacting business, or if the quorum requirement for it to continue ceases to exist, a majority of those present may adjourn the meeting from time to time without further notice; PROVIDED, if a majority of those present in person so resolve, the Secretary shall notify any absent members of the time, day and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03.

SECTION 3.05. Voting.
Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members, regardless of the number of premises at which such member is served by the Cooperative. Voting by members, other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Charter (including Articles of Conversion) or by these Bylaws. Members may not cumulate their votes or vote by proxy or mail.

SECTION 3.06. Voting Method and Credentials Committee.
When the Board of Directors determines that a matter to be voted upon at any meeting of the members, except for directorate district meetings, might be difficult for the President to determine the results by the use of a regular voting method, such as a voice vote, a rising vote, or a vote by show of hands, the Board of Directors, may, prior to the meeting, direct that any matter or matters be voted upon by some other methods of voting, such as voting by ballot or by the use of voting machines. When the Board of Directors makes such a determination, it shall also appoint a Credentials Committee, consisting of an uneven number of members, and who are not existing Cooperative employees, agents, officers or directors, and who are not close relatives or members of the same household thereof. In appointing the Committee, the Board of Directors shall have regard for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own Chairman prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and voting, to pass upon all questions that may arise with respect to the registration and qualifications to vote of members, to count all ballots or other votes cast, to rule upon effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting, and to pass upon any protest or objection filed with respect to any matter voted upon by the members or to conduct affecting the results of any voting. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. Any such protest or objection must be filed during, or within three (3) business days following the adjournment of, the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its Chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, which may be to affirm the matter voted upon, to change the outcome thereof, or to set it aside. The Committee may not act on any matter unless a majority of the Committee is present. The Committee's decision on all matters covered by this Section shall be final, subject only to a contrary holding by a court, and the report or certificate of its decision shall constitute prima facie evidence of the facts stated therein.

SECTION 3.07. Order of Business.
The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members except for directorate district meetings shall be essentially as follows:

(1) Determination of the existence of a quorum;
(2) Reading of the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
(3) Reading of unapproved minutes of previous meetings

of the members and the taking of necessary action thereon;

(4) Presentation and consideration of reports;

(5) Announcement of results of election of directors held at district meetings;

(6) Unfinished business;

(7) New business; and

(8) Adjournment.

Notwithstanding the foregoing, the Board of Directors or the members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business; PROVIDED, no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

ARTICLE IV - DIRECTORS

SECTION 4.01. Number and General Powers.
The business and affairs of the Cooperative shall be managed under the direction of a board of ten (10) directors. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Charter (including Articles of Conversion) or Bylaws conferred upon or reserved to the members.

SECTION 4.02. Qualifications.

No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director or of an employee of the Cooperative, or is not a member of the Cooperative and receiving service therefrom at his primary residential abode, which abode shall be in the directorate district for which the director is seeking to represent or represents. No person shall be eligible to become or remain a director of, or hold any other position of trust in, the Cooperative who is not at least eighteen (18) years of age or is any way employed by or substantially financially interested in a competing energy or utility enterprise, or a business selling electric energy or significant supplies to the Cooperative or a business that maintains a significant business relationship with the Cooperative, such as a right-of-way maintenance contractor, an electrical contractor, an electrical engineer or an electrician. No person shall be eligible to become or remain a director of the Cooperative unless the person has the capacity to enter legally binding contracts. Notwithstanding any of the foregoing provisions of this Section treating with close relative relationships, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if, during his incumbency as a director, he becomes a close relative of another incumbent director or of a Cooperative employee because of a marriage to which he was not a party.

Upon the establishment of the fact that any person being considered for, or already holding a directorship or other 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, as the case may be. Nothing contained in this Section 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 this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.

SECTION 4.03. Directorate Districts.
The territory in which the Cooperative furnishes service shall be divided into ten (10) directorate districts for the purpose of both nominating and electing directors therefrom at and by district meetings of the members thereof. Each district shall be represented by one director. The composition of such districts shall have an equitable regard for the number of members served therein, other communities of interest and boundaries that are readily ascertainable. The ten (10) districts shall be clearly delineated on maps located at each of the Cooperative's offices and available for inspection by any member at any time during normal business hours. The districts are designated and described as follows:

DISTRICT H —

Beginning at a point located in the Fourth Civil District of Macon County, Tennessee, said point being at Wright's Cemetery, which cemetery is located on the right side of Tennessee Highway No. 10. South, from Lafayette, Tennessee, and which point is also approximately 3,450 feet south of the intersection of Highway No. 10 and the road to Old Bottom, and is approximately 3,200 feet north of the intersection of Highway No. 10 and the Dry Branch Road; thence running 82o 35' West approximately 10,800 feet to Carter Branch Road, crossing said road approximately 1,100 feet north of the intersection of the road to Wright Hollow and Carter Branch Road; thence continuing north 82o 35' west approximately 10,250 feet to a point at Adams Cemetery located at Horsleys, said point being approximately 400 feet south of the intersection of Carr Creek Road and the road from Pleasant Valley to Horsleys, and said point also being approximately 3,000 feet north of the Pleasant Valley Church and cemetery; thence north 70o 08' west, 12,450 feet to a point at the Shrum-Bennett Cemetery located on the road from Green Grove to Pleasant Valley, said point being approximately 400 feet east of the intersection of the Love Hollow Road and said road, and said point also being approximately 1,700 feet southwest of the intersection of the Cedar Bluff Road and said road; thence north 83o 53' west 9,600 feet to a corner in the Macon-Trousdale County line, said corner being approximately 8,000 feet northwest of the Columbia Gulf pumping station; thence with the Macon-Trousdale County line, continuing in a northwesterly direction to a point where the Macon-Trousdale County line joins the Sumner County line; thence south with the Trousdale-

Sumner County line to a point where said line intersects the Old L & N railroad bed; thence in a westerly direction with the Old L & N railroad bed to the territorial boundary between Cumberland Electric Membership Corp. and Tri-County EMC; thence south with said territorial boundary to the Cumberland river; thence east with the Cumberland River to a point where the Trousdale and Smith County line crosses the river; thence in a northeasterly direction with the Trousdale-Smith County line to Tennessee Highway No. 25, and extending into Smith County to include the accounts served by the Cooperative in Smith County from this point; thence with the Trousdale-Smith County line to the road between the Dixon Creek Church, and Dixon Springs and extending into Smith County to include the accounts served by the Cooperative in Smith County from this point; thence with the Trousdale-Smith County line to the Scanty Branch Road, and extending into Smith County to include the accounts served by the Cooperative in Smith County from this point; thence with the Trousdale-Smith County line to a point where Trousdale, Smith and Macon Counties join; thence south 78° 10' east 3,500 feet with the Macon-Smith County line to a point in the road from Ebenezer Church to Pleasant Shade, this point being approximately 50 feet south of the intersection of said road and the Chigger Hollow Road; thence south 81° 25' east 1,600 feet with the Macon-Smith County line; thence leaving the county line and entering Macon County, and running with the District R line north 8° 05' east approximately 8,375 to a point at the peak of a hill located north of Chigger Hollow; thence north 78° 40' west approximately 11,950 feet to a point at the peak of a hill on the ridge between Dry Fork and Dry Branch; thence with the ridge between Dry Fork and Dry Branch north 52° 24' west 4,700 feet to a point at the top of the ridge; thence north 86° 0' west along the ridge between Dry Fork and Dry Branch approximately 10,100 feet to the point of beginning at Wrights Cemetery.

DISTRICT T—

Beginning at a point on the Tennessee-Kentucky State line and which point is located in Monroe County, Kentucky 300 feet east of the center line of Highway 63 and said point further being the southeast corner of District F; thence running with District F in a north direction parallel to and 300 feet east of the center line of Highway 63 to the point of the intersection of said line with the southern boundary of the Gamaliel City Limits; thence along the south boundary, east boundary and north boundary of the Gamaliel City Limits to a point 300 feet east of the center line of Highway 100, at the point where the north boundary of the Gamaliel City Limits intersects Highway 100; thence in a northwesterly direction parallel to and 300 feet northeast of Highway 100 to a point 300 feet south of the intersection of Highway 100 and Highway 1366; thence in a northeasterly direction parallel to and 300 feet southeast of Highway 1366 to a point 300 feet beyond the intersection of Highway 1366 with Highway 870 near Gum Tree; thence in a general northeast direction parallel to and 300 feet east of the center line of Highway 870 to a point 300 feet beyond the intersection of Highway 870 and Highway 63 at Mud Lick; thence in a northwest direction parallel to and 300 feet northeast of the center line of Highway 63 to a point that is 300 feet south of the intersection of Highway 63 and Highway 678 at Mount Hermon, and said point being a corner with Districts F and E; thence in an east direction parallel to and 300 feet south of the center line of Highway 678, passing through Sulphur Lick and continuing to a point that is 300 feet west of the intersection of Highway 678 and Highway 163; thence in a south direction parallel to and 300 feet west of Highway 163 to a point 300 feet beyond the intersection of Highway 163 and Highway 1049 at Merryville School; thence in an east direction parallel to and 300 feet south of the center line of Highway 1049 to a point 300 feet beyond the intersection of Highway 1049 and a road known as the Pleasant Hill Road near the Pleasant Hill Church; thence in an east direction parallel to and 300 feet south of the center line of the Pleasant Hill Road passing the Temple Hill Church and the Clover Hill Church to a point on Cloyd Ridge 500 feet southeast of Smith Cemetery; thence leaving the Pleasant Hill Road and going north 54° 50' east approximately 9,650 feet to a point on the Monroe-Cumberland County line; thence in a southeasterly direction with the Monroe-Cumberland County line to the point where said county lines intersect the Tennessee-Kentucky State line; thence west with the Tennessee-Kentucky State line to the point of beginning, all of the above described area being located in Monroe County, Kentucky.

DISTRICT W—

Beginning at a point in the Tennessee-Kentucky State line where the Sumner-Macon County line joins the state line; thence running south with the Sumner and Macon County line to the point where Macon, Trousdale and Sumner Counties join; thence south with the Trousdale and Sumner County line to a point where said line intersects the Old L & N railroad bed; thence in a westerly direction with the Old L & N railroad bed to the territorial boundary between Cumberland Electric Membership Corp. and Tri-County EMC; thence north with the said territorial boundary to the Tennessee-Kentucky State line; thence east with the Tennessee-Kentucky State line to the point of beginning.

DISTRICT F—

Beginning at a point in the Tennessee-Kentucky State line in Allen County, Kentucky and which point is located at the center line of the intersection of Tennessee Highway 10, Kentucky Highway 99, and Kentucky Highway 1578, and said point further being at the southeast corner of District S; thence running with District S north 300 feet to a point; thence running in a northwesterly direction parallel to and 300 feet north of the center line of Kentucky Highway 1578 to the intersection of Kentucky

Highways 1578 and 1421; thence continuing in a northerly direction parallel to and 300 feet east of the center line of Kentucky Highway 1421 to the intersection of Kentucky Highways 1421 and 100; thence continuing in a westerly direction parallel to and 300 feet north of the center line of Kentucky Highway 100, to the point of intersection of said line with the eastern boundary of the Scottsville City Limits; thence along the eastern boundary of the Scottsville City Limits to a point 300 feet east of the center line of Old Highway 31E at a point where the Scottsville City Limits intersects said Highway at its northern boundary; thence in a northeasterly direction parallel to and 300 feet east of the center line of Old Highway 31E to a point 300 feet south of the center line of the intersection of Old Highway 31E and the new Highway 31E at Cedar Springs; thence in an easterly direction parallel to and 300 feet south of the center line of the new Highway 31E to the point of intersection of said line with the Allen and Barren County line, said point being in the old Barren River Channel and said point also being in the territorial boundary between Tri-County EMC and Farmers RECC; thence in a general easterly direction with the territorial boundary between Farmers RECC and Tri-County EMC to a point in the Barren-Monroe County line that is 300 feet west of the center line of Highway 63, at the point where Highway 63 intersects at the Barren and Monroe County line; thence in a southeasterly direction parallel to and 300 feet southwest of the center line of Highway 63 to the junction of Highway 63 and Highway 678 at Mount Hermon; thence crossing Highway 63 to the northwest side of said Highway to a point that is 300 feet south of Highway 678 and 300 feet east of Highway 63; thence in a southeast direction parallel to and 300 feet northeast of the center line of Highway 63 to a point 300 feet beyond the intersection of Highway 63 and Highway 870 at Mud Lick; thence in a southwest direction parallel to and 300 feet south of the center line of Highway 870 to a point 300 feet beyond the intersection of Highway 870 with Highway 1366 near Gum Tree; thence in a southwesterly direction parallel to and 300 feet southeast of Highway 1366 to a point 300 feet east of the intersection of Highway 1366 and Highway 100; thence in a southeasterly direction parallel to and 300 feet northeast of Highway 100 to the point of the intersection of said line with the northern boundary of the Gamaliel City Limits; thence along the north boundary, east boundary, and south boundary of the Gamaliel City Limits to a point 300 feet east of the center line of Highway 63, at the point where the Gamaliel City Limits intersects Highway 63; thence in a south direction parallel to and 300 feet east of the center line of Highway 63 to the Tennessee-Kentucky State line; thence west with the Tennessee-Kentucky State line to the point of beginning.

DISTRICT E—

Beginning at a point located in Monroe County, Kentucky at Mount Hermon, said point being 300 feet south of the center line of Highway 678 and being 300 feet east of the center line of Highway 63 at the point where said Highways intersect at Mount Hermon, and said point being a corner of Districts F, T and E; thence in an east direction parallel to and 300 feet south of the center line of Highway 678, passing through Sulphur Lick and continuing to a point that is 300 feet west of the intersection of Highway 678 and Highway 163; thence in a south direction parallel to and 300 feet west of Highway 163 to a point 300 feet beyond the intersection of Highway 163 and Highway 1049 at Merryville School; thence in an east direction parallel to and 300 feet south of the center line of Highway 1049 to a point 300 feet beyond the intersection of Highway 1049 and a road known as the Pleasant Hill Road near the Pleasant Hill Church to a point on Cloyd Ridge 500 feet southeast of Smith Cemetery; thence leaving the Pleasant Hill Road and going north 54° 50' east approximately 9,650 feet to a point in the Monroe-Cumberland County line, said point being a corner of Districts E, T and B; thence in a northwest direction with the Monroe-Cumberland County line to the point where Monroe, Metcalfe and Cumberland Counties join; thence in a northeast direction with the Metcalfe-Cumberland county line to the point where Metcalfe, Cumberland and Adair Counties join; thence in an east direction with the Adair-Cumberland County line to the point where Adair, Cumberland and Russell Counties join; thence north with the territorial boundary between South Kentucky RECC and Tri-County EMC to the point where the territorial boundaries of South Kentucky RECC, Tri-County EMC and Taylor County RECC join; thence west with the territorial boundary between Taylor County RECC and Tri-County EMC to the point where said territorial boundaries join the territorial boundary of Farmers RECC; thence in a general westerly direction with the territorial boundary between Farmers RECC and Tri-County EMC to a point in the Barren-Monroe County line that is 300 feet west of the center line of Highway 63, at the point where Highway 63 intersects the Barren and Monroe County line; thence in a southeasterly direction parallel to and 300 feet southwest of the center line of Highway 63 to the junction of Highway 63 and Highway 678 at Mount Hermon; thence crossing Highway 63 to the northeast side of said Highway to the point of beginning.

DISTRICT R—

Beginning at a point located in the Fourth Civil District of Macon County, Tennessee said point being in the north boundary of District H and at the southeast corner of District L, and said point being 300 feet east of the center line of Tennessee Highway No. 10 and approximately 425 feet east of Wrights Cemetery; thence running with District L in a north direction parallel to and 300 feet east of the center line of Tennessee Highway No. 10 to the point of the intersection of said line with the southern boundary of the Lafayette City Limits; thence along the eastern boundary of the Lafayette City Limits to a point 300 feet east of the center line of Williams Road, at the point where the Lafayette City Limits intersects the

Williams Road; thence in north direction parallel to and 300 feet east of the center line of the Williams Road to the Tennessee-Kentucky State line; thence east with the Tennessee-Kentucky State line to the point where the Macon and Clay County line joins the state line; thence south with the Macon and Clay County line to the point where Macon, Clay and Jackson Counties join; thence south with the Macon and Jackson County line to the point where Macon, Smith, and Jackson Counties join, and extending into Jackson County to include the accounts served by the Cooperative in Jackson County along this line; thence west with the Macon-Smith County line to a road that runs from Russell Hill into Smith County and extending into Smith County to include the accounts served by the Cooperative in Smith County from this point; thence west with the Macon-Smith County line to the point where District H leaves the Macon-Smith County line; thence running with the District H line north 8° 05' east approximately 8,375 feet to a point at the peak of a hill located north of Chigger Hollow; thence continuing with the District H line north 78° 40' west approximately 11,950 feet to a point at the peak of a hill on the ridge between Dry Fork and Dry Branch; thence continuing with the District H line with the ridge between Dry Branch; thence continuing with the District H line with the ridge between Dry Fork and Dry Branch north 52° 24' west 4,700 feet to a point at the top of the ridge; thence continuing with the District H line north 86° 0' west along the ridge between Dry Fork and Dry Branch approximately 9,650 feet to the point of beginning.

DISTRICT S—

All of the area served by the Cooperative in the State of Kentucky that is located west of a line described as follows: beginning at a point in the Tennesse-Kentucky State line in Allen County, Kentucky and which point is located at the center line of the intersection of Tennessee Highway No. 10, Kentucky Highway 99, and Kentucky Highway 1578; thence north 300 feet to a point; thence running a northwesterly direction parallel to and 300 feet north of the center line of Kentucky Highway 1578 to the intersection of Kentucky Highways 1578 and 1421; thence continuing in a northerly direction parallel to and 300 feet east of the center line of Kentucky Highway 1421 to the intersection of Kentucky Highways 1421 and 100; thence continuing in a westerly direction parallel to and 300 feet north of the center line of Kentucky Highway 100, to the point of intersection of said line with the eastern boundary of the Scottsville City Limits; thence along the eastern boundary of the Scottsville City Limits to a point 300 feet east of the center line of Old Highway 31E at a point where the Scottsville City Limits intersects said Highway at its northern boundary; thence in a northeasterly direction parallel to and 300 feet east of the center line of Old Highway 31E to a point 300 feet south of the centerline of the intersection of Old Highway 31E and the new Highway 31E at Cedar Springs; thence in an easterly direction parallel to and 300 feet south of the center line of the new Highway 31E to the point of intersection of said line with the Allen and Barren County line, said point being in the old Barren River Channel and said point also being in the territorial boundary between Tri-County EMC and Farmers RECC; thence in a northwest direction with the Allen-Barren County line (Old Barren River Channel) and the territorial boundary between Tri-County EMC and Farmers RECC to the Barren River Dam.

DISTRICT B—

All of the area served by the Cooperative in Cumberland County, Kentucky and Clinton County, Kentucky.

DISTRICT C—

Beginning at a point in the Tennessee-Kentucky State line where the Macon-Clay County line joins the state line; thence running south with the Macon-Clay County line to the point where Macon, Clay and Jackson Counties join; thence east with the Clay and Jackson County line crossing Brimstone Creek and extending into Jackson County to include the accounts served by the Cooperative in Jackson County from this point; thence with the Clay and Jackson County line to Highway 53 and extending into Jackson County to include the accounts served by the Cooperative in Jackson County from this point; thence with the Clay-Jackson County line to the point where Clay, Jackson and Overton Counties join; thence northeast with the Overton-Clay County line to Mill Creek; thence in an easterly direction with the territorial boundary between Upper Cumberland EMC and Tri-County EMC on the south side of Mill Creek into Standing Stone State Park in Overton County; thence in a northeasterly direction with territorial boundary and Dale Hollow Lake to the Tennessee-Kentucky State line; thence west with the Tennessee-Kentucky State line to the point beginning.

DISTRICT L—

Beginning at a point located in the Fourth Civil District of Macon County, Tennessee, said point being in the north boundary of District H and at the southwest corner of District R, and said point being 300 feet east of the center line of Tennessee Highway No. 10 and approximately 425 feet east of Wrights Cemetery; thence running with District R in a north direction parallel to and 300 feet east of the center line of Tennessee Highway No. 10 to the point of the intersection of said line with the southern boundary of the Lafayette City Limits; thence along the eastern boundary of the Lafayette City Limits to a point 300 feet east of the center line of the Williams Road, at the point where the Lafayette City Limits intersects the Williams Road; thence in a north direction parallel to and 300 feet east of the center line of the Williams Road to the Tennessee-Kentucky State line; thence west with the Tennessee-Kentucky State line to a point where the Macon and Sumner County line joins the State line; thence south

with the Macon-Sumner County line to the point where Macon, Trousdale, and Sumner Counties join; thence in an easterly direction with the Macon-Trousdale County line to a corner where the county lines turn south; thence with the line of District H south 83° 53' east approximately 9,600 feet to the Shrum-Bennett Cemetery located on the road from Green Grove to Pleasant Valley, thence south 70° 08' east 12,450 feet to the Adams Cemetery located at Horsleys; thence south 82° 35' east approximately 10,250 feet to the Carter Branch Road, crossing said road approximately 1,100 feet north of the intersection of the road to Wright Hollow and Carter Branch Road; thence continuing south 82° 35' east approximately 10,800 feet to Wrights Cemetery; thence south 86° 0' east approximately 425 feet to the beginning.

Notwithstanding the foregoing directorate district descriptions, at least every ten (10) years the Board of Directors, not less than ninety (90) days prior to the earliest date on which the annual member meeting may be scheduled by these Bylaws to be held, shall review the district descriptions. If the Board determines that, having an equitable regard for the number of members served therein, other communities of interest and boundaries that are readily ascertainable, the boundaries of districts should be altered, the Board shall amend these Bylaws accordingly. The Board of Directors shall cause all such amendments to be noticed in writing to the members along with the "Notice of District Meetings for Nominations" as provided in Section 4.07.

From and after the date of such Notice of Amendments, these Bylaws shall have been effectively amended accordingly, and any change so made by action of the Board shall be in full force and effect until further changed by the members or the Board of Directors; PROVIDED, no such change shall be so effectuated as to expand the existing term of an incumbent director or to compel the vacancy of any director's office prior to the time his term would normally expire, unless such director consents thereto in writing.

SECTION 4.04. Tenure.
Directors shall be divided into three (3) classes so that one-third of them, or as near thereto as may be, are elected each year for three-year terms. The classes are as follows:

Class I—One director from Directorate Districts H, T, W and F shall each be elected for a three-year term at a district member meeting beginning in 1989;

Class II—One director from Directorate Districts E, R and S shall each be elected for a three-year term at a district member meeting beginning in 1990;

Class III—One director from Directorate Districts B, C and L shall each be elected for a three-year term at a district member meeting beginning in 1991;

The directors in each class as set forth above shall be elected at each interval of three years thereafter.

Directors shall take office at the first annual meeting of members held after the district meeting at which the director was elected. Upon election, a director shall, subject to the provisions of these Bylaws with respect to the removal of directors, serve until the annual meeting of the members of the year in which the director's term expires or until the director's successor shall have been elected and shall have qualified.

SECTION 4.05. District Meetings for Nominations
Not less than sixty (60) days nor more than ninety (90) days before the annual meeting of the members, the Board of Directors shall call a separate meeting of the members in each district in which the terms of incumbent directors are due to expire, for the purpose of nominating one or more candidates for director from each of such districts.

SECTION 4.06. Committee of Nomination Supervisors.
The Board of Directors shall, before any directorate district meeting for nominations, appoint a committee of nomination supervisors for each district in which a district meeting for nominations will be held for that particular year. The committee shall consist of an uneven number of members, not less than three (3), who are not existing Cooperative employees, agents, officers, or directors. The committee shall elect its own chairman. It shall be the responsibility of the committee to determine if a member is a qualified candidate for director. In the exercise of its responsibility, the committee shall have available to it the advice of counsel provided by the Cooperative.

SECTION 4.07. Notice of District Meetings for Nominations.
Written or printed notice stating the date, time and place of the district meetings at which directors are to be nominated shall be mailed, by or at the direction of the Secretary, to those members of the Cooperative whose principal address is in one of the districts for which a meeting has been called, not less than ten (10) nor more than forty-five (45) days before the date(s) of the district meetings. Such notice shall be addressed to the member at his principal address as it appears on the records of the Cooperative and with postage thereon prepaid.

Such notice shall state the names of the directors whose terms shall expire at the next annual meeting of the members and shall specify which districts will nominate directors at district meetings. Such notice shall include information on how nominations of a candidate for director can be made, including the requirement for the candidate to file a written statement and questionnaire as required by Section 4.08 of these bylaws.

SECTION 4.08 Nominations.
Nominations for a candidate or candidates for director

shall be made from the floor at the district meetings, and any member whose principal address is in the district shall have the right to nominate one candidate. However, no member residing in the district shall be entitled to have his or her name placed in nomination unless he or she has, prior to or at the district meeting, filed with the Committee of Nomination Supervisors a written statement signed by the member indicating that if elected to the Board of Directors the member is willing to serve as a director of the Cooperative representing a specified district, and has filed along with said written statement a completed and signed questionnaire containing the information necessary or appropriate to determine the eligibility of the candidate, the format of such questionnaire to be adopted by the Board of Directors.

Each district Committee of Nomination Supervisors will meet at the district meeting to review the required written statement and questionnaire of each candidate in order to determine if a member is a qualified candidate for director. The committee shall report its findings to the Chairman of the district meeting. If the committee finds that the candidate is not qualified, the Chairman of the district meeting shall not accept a nomination for the unqualified candidate.

SECTION 4.09. Uncontested Elections.
If only one qualified candidate for director is nominated at a district meeting for nominations, an election, as such, shall not be held for said directorate district, and the nomination of the candidate shall also constitute a vote for the candidate, and the candidate shall thereby be elected as a director without any further action. The Chairman of the district meeting will certify the election of the candidate to the Secretary of the Cooperative immediately after the adjournment of the district meeting for nominations.

SECTION 4.10. District Meeting for Elections.
If more than one candidate for director is nominated at a district meeting for nominations, the Chairman shall adjourn the meeting after all nominations have been made and without holding any election. After the meeting is adjourned, no further nominations shall be allowed. The Chairman of the district meeting shall immediately certify to the Secretary of the Cooperative the list of nominees for director from that district. The Board of Directors will then fix the date, time and place for the holding of a second district meeting within said district(s) at which a director from the district(s) will be elected by the members whose principal address, as it appears on the records of the Cooperative, is locate therein. Said meeting(s) for the purpose of an election shall be held not less than ten (10) days nor more than forty-five (45) days before the annual meeting of the members.

SECTION 4.11. Notice of District Meetings for Elections.
Written or printed notice stating the date, time and place of the district meetings at which directors are to be elected shall be mailed, by or at the direction of the Secretary, to the members of the Cooperative who are eligible to vote at such directorate district meetings, not less than ten (10) nor more than forty-five(45) days before the date(s) of the district meetings for elections. Such notice shall be addressed to the member at his principal address as it appears on the records of the Cooperative and with postage thereon prepaid. Such notice shall contain the names of the qualified candidates to be voted upon for director at said district meeting(s).

SECTION 4.12. Quorum.
A quorum for all directorate district meetings, including both district meetings for nominations and district meetings for elections, shall consist of the presence in person of five (5) or more members whose principal address is located in such district.

SECTION 4.13. Election Procedures.
The Board of Directors shall adopt the plans, procedures and manner for conducting the directorate district meetings, including but not limited to, fixing the method of voting, the hours that voting will take place, and designating the chairman and secretary of the meeting. Each district meeting shall be held at some location within the district, to be determined by the Board of Directors. Each qualified member in attendance at the district meeting for elections shall be entitled to vote for one candidate and no more. No member at any district meeting shall be permitted to vote by proxy or by mail. The candidate who receives the greatest number of the votes cast shall be declared elected. Drawing by lot, when necessary, shall resolve tie votes.

If a member is served with electricity by the Cooperative in more than one directorate district, the Cooperative's records will designate one of the member's addresses as his principal address, which principal address should be the member's residence, or, in the case of a non-natural person member, the member's principal office within the Cooperative's service area. Such member shall be allowed to vote only at the directorate district meeting for the directorate district in which his principal address, as shown on the Cooperative's records, is located. In the event the address shown on the Cooperative's records as the member's principal address is not his residence or principal office, in the event of a non-natural person member, the member may file a written request with the Cooperative to change his principal address as shown on the Cooperative's records.

SECTION 4.14. Committee of Election Supervisors.
The Board of Directors shall, before any directorate district meeting(s) for election, appoint a committee of election supervisors for each district in which a district meeting for elections will be held for that particular year. The committee shall consist of an uneven number of members, not less than three, who are not existing Cooperative

employees, agents, officers or directors. The committee shall elect its own chairman. It shall be the responsibility of the committee to pass upon all questions that may arise with respect to the registration and qualifications to vote of members, to count all ballots or other votes cast in the directorate district election, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, to rule upon all other questions that may arise relating to the election of the director at the particular directorate district meeting, and to pass upon any protest or objection filed with respect to the election or to conduct affecting the results of the election. In the exercise of its responsibility, the committee shall have available to it the advice of counsel provided by the Cooperative.

Any protest or objection regarding any aspect of the election shall be filed during, or within four (4) days following the adjournment of the district meeting for election. The committee shall thereupon be reconvened, upon notice from its chairman, not less than five (5) days after such protest or objection is filed. The committee shall hear such evidence as is presented by the protestor(s) or objector(s) who may be heard in person, by counsel, or both, and any opposing evidence; then the committee shall by a vote of the majority of those present and voting render its decision immediately, which may be to affirm an election, to change the outcome thereof, or to set it aside. The committee may not act on any matter unless a majority of the committee is present. The committee's decision on all matters covered by this section shall be final, subject only to a contrary holding by a court, and the report or certificate of its decision shall constitute prima facie evidence of the facts stated therein.

After all votes have been tabulated by the committee, the results thereof shall be certified to the Secretary of the Cooperative after the adjournment of the district meeting for election, or after the committee has made a decision on any protest or objection duly filed.

SECTION 4.15. Removal of Directors by Members.
Any member may bring one or more charges against any one or more directors, alleging acts or omissions adversely affecting the business and affairs of the Cooperative and amounting to actionable negligence, malfeasance, misfeasance, nonfeasance, fraud or criminal conduct, and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition, signed by not less than ten (10%) percent of the total membership of the Cooperative, which calls for a special district member meeting thereon and specifies the place, time and date thereof not less than forty (40) nor more than forty-five (45) days after the filing of such petition. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name of the director against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the director against whom the charge(s) have been made and of the member(s) filing the charge(s) shall be contained in the notice of the meeting or separately noticed to the members within the affected district(s) not less than five (5) days prior to the district meeting at which the charge(s) will be acted upon; PROVIDED, the notice shall set forth (by random selection but otherwise in alphabetical order) only twenty (20) of the names and addresses of the charging members if twenty (20) or more members file the same charge(s) against the same director(s).

Such director shall be informed in writing of the charges after they have been validly filed and at least twenty-five (25) days prior to the district meeting of the members at which the charge(s) are to be considered, shall have an opportunity at the meeting to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s), and shall be heard last; and the person(s) bringing the charge(s) shall have the same opportunity, but shall be heard first. The question of the removal of such director shall be considered and voted upon at such meeting, and any vacancy created by such removal shall be filled by vote of the members at such district meeting without compliance with the foregoing sections with respect to nominations, and nominations shall be made from the floor; PROVIDED, the question of the removal of a director shall not be voted upon at all unless some evidence in support of the charge(s) against him shall have been presented during the district meeting through oral statements, documents, or otherwise; AND PROVIDED FURTHER, no director shall be so removable from office for the reason that he, in good faith and believing such to be in the best interests of the Cooperative and of its present and future members, failed or declined to support, or that he opposed, (1) a proposal to sell or lease-sell all or a substantial portion of the Cooperative's assets and properties or to dissolve the Cooperative, or (2) a motion to notify the Cooperative's members of a proposal received by the Cooperative for such a sale, lease-sale or dissolution, or (3) a motion or any other effort to call a meeting of the Cooperative's members to consider and act upon a proposal for such a sale, lease-sale or dissolution. A newly elected director shall be from the same directorate district as was the director whose office he succeeds and shall serve out the unexpired portion of the removed director's term.

SECTION 4.16. Vacancies.
Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, the Board of Directors shall have the power to fill any other vacancy occurring in the Board by a majority vote of the remaining Directors, or the Board may, in its discretion, call a special District Meeting for nominations and, if necessary, a special District Meeting for elections, to allow the members of the affected district

to fill the vacancy. In the event the Board does not fill the vacancy within six months of its occurrence, the Board shall then have a duty to call such special District Meeting(s) to allow the members to fill the vacancy. The special District Meeting for nominations shall be held no later than 45 days after the end of the six months period. A director thus elected by either the Board of Directors or the members shall be from the directorate district in which the vacancy exists and shall serve until the term of office for said directorate district, as set forth in Section 4.04, expires, or until a successor is elected and qualified.

SECTION 4.17. Compensation; Expenses.
Directors shall, as determined by resolution of the Board of Directors, receive on a per diem basis a fixed fee, which may include insurance benefits, for attending meetings of the Board of Directors and, when approved by the Board of Directors, for otherwise performing their duties. The fee or fees fixed for otherwise performing their duties need not be the same as the fee fixed for attending meetings of the Board of Directors. Directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred, in performing their duties.No close relative of a director shall be employed by the Cooperative and no director shall receive compensation for serving the Cooperative in any other capacity, unless the employment of such relative or the service of such director is temporary and shall be specifically authorized by a vote of the Board of Directors or the members upon a determination that such was an emergency measure; PROVIDED, a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the unanimous vote of the remaining directors; AND PROVIDED FURTHER, an employee shall not lose eligibility to continue in the employment of the Cooperative if he becomes a close relative of a director because of a marriage to which he was not a party.

SECTION 4.18. Rules, Regulations, Rate Schedules and Contracts.
The Board of Directors shall have the power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Charter (including Articles of Conversion) or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 4.19. Accounting System and Reports.
The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and conditions, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial condition as of the end of, such year. A summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 4.20. Subscription to Cooperative's Newsletter; Subscription to Statewide Publication.
For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Directors shall be empowered on behalf of and for circulation to the members periodically, to subscribe to any Cooperative newsletter. The annual subscription price for such newsletter shall not be less than $1.00 nor more than $4.00, and shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the manner as would any other expense of the Cooperative. The Board of Directors shall also be empowered, on behalf of and for circulation to the members periodically to subscribe to any statewide publication(s), the annual subscription price for which shall be not less than $1.85 nor more than $4.00, and which shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

The Board of Directors may amend this section of the Bylaws to change the range for the annual subscription price for either the Cooperative's newsletter or the statewide publication(s), or both.

SECTION 4.21. "Close Relative" Defined.
As used in these Bylaws, "close relative" means a person who, by blood or in law, including step, half, and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal.

SECTION 4.22. Provisions for Nominations and Elections in Extraordinary Circumstances.
In the event a nominated candidate for director, whether incumbent or not, dies, withdraws, or otherwise becomes unable to serve as a director, prior to the conclusion of the district meeting for the election in the district for which the candidate was nominated, the Board of Directors may, in its discretion, cancel the district meeting for the election in that district and call a new district meeting for nominations. In that event, the regular procedures shall be followed for holding the new district meetings for nominations and election, except that, the time periods for holding the district meetings for nominations and election in that district, before the annual meeting of the members, shall not apply. The Board of Directors shall schedule the new district meeting for nominations for that particular district as soon as practicable. Any qualified person may be nominated at the new district meeting, including other

qualified candidates who were nominated at the previous district meeting for nominations. Previously nominated candidates must be nominated again at the new district meeting to be eligible for election. If more than one qualified candidate is nominated at the new district meeting for nominations, the Board of Directors shall then call a new meeting for the election of the director for that particular district as soon as practicable. If the new meeting for the election is held after the annual meeting of the members, the director elected shall take office immediately upon the certification of his or her election by the committee of election supervisors, subject to any change the committee may make as a result of any protest or objection that might be filed. Also, the provision for a three-year term of office would be subject to being slightly shorter if the annual meeting of the members held at the end of the director's term is held earlier in the year than the date that the election was held during the year the director was elected.

ARTICLE V - MEETINGS OF DIRECTORS

SECTION 5.01. Regular Meetings.
A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual member meeting. A regular meeting of the Board of Directors shall also be held monthly at such date, time and place in one of the counties within which the Cooperative serves, as the Board shall provide by resolution. If all of the directors consent thereto, a regular meeting of the Board of Directors may be held at any place outside of one of the counties within which the Cooperative serves. Such regular monthly meeting may be held without notice other than such resolution fixing the day, time and place thereof, except when business to be transacted thereat shall require special notice; PROVIDED, any director absent from any meeting of the Board at which such a resolution initially fixes or makes any change in the day, time or place of a regular meeting shall be entitled to receive written notice of such at least five (5) days prior to the next meeting of the Board; AND PROVIDED FURTHER, if a policy therefore is established by the Board, the President may change the day, time or place of a regular monthly meeting for good cause and upon at least five (5) days notice thereof to all directors.

SECTION 5.02. Special Meetings.
Special meetings of the Board of Directors may be called by Board resolution, by the President, or by any three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the President, or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties within which the Cooperative serves unless all directors consent to its being held in some other place in Tennessee, Kentucky or elsewhere. Special meetings may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent thereto.

SECTION 5.03. Notice of Directors Meetings.
Written or oral notice of the day, time, place, or of the scheduled day and time of a telephone conference call, and purpose(s) of any special meeting of the Board and, when the business to be transacted thereat shall require such, of any regular meeting of the Board shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in this duty by the Secretary, by him or those calling it in the case of a special meeting or by any director in the case of a meeting whose day, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his address as it appears on the records of the Cooperative, with first class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the grounds the meeting shall not have been lawfully called or convened.

SECTION 5.04. Quorum
The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of a majority of the directors present and voting shall be required for any action to be taken; PROVIDED, a director who has a conflict of interest in a matter to be considered shall not, with respect to that matter, be counted in determining the number of directors in office or present; AND PROVIDED FURTHER, if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the day, time and place of such adjourned meeting.

SECTION 5.05. Action Without Meeting.
Any action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting. If all directors consent to taking such action without a meeting, the affirmative vote of the number of directors that would be necessary to authorize or take such action at a meeting is the act of the Board. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each director, and included in the minutes filed with the corporate records reflecting the action taken. Action taken under this section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent

signed under this section has the effect of a meeting vote and may be described as such in any document.

ARTICLE VI - OFFICERS: MISCELLANEOUS

SECTION 6.01. Number and Title.
The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.02. Election and Term of Office.
The four officers named in Section 6.01 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after 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 the Bylaws with respect to the removal of directors and to the removal of officers by the Board of Directors. Any 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 6.03. Removal.
Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served.

SECTION 6.04. Vacancies.
A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

SECTION 6.05. President.
The President shall—

(a) be the principal executive officer of the Board and shall preside at all meetings of the Board of Directors, and, unless determined otherwise by the Board of Directors, at all meetings of the members;

(b) sign, with the Secretary, certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and

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

SECTION 6.06. Vice President.
In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.07. Secretary.
The Secretary shall—

(a) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;

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

(c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and to all documents the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is required by law;

(d) keep, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member;

(e) sign, with the President, certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors;

(f) have general charge of the books of the Cooperative in which a record of the members is kept;

(g) keep on file at all times a complete copy of the Cooperative's Charter (including Articles of Conversion) and Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member at reasonable times, and, at the expense of the Cooperative furnish a copy of such documents and all amendments thereto upon request to any member; and

(h) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.08. Treasurer.
The Treasurer shall—

(a) have charge and custody of and be responsible for all funds and securities of the Cooperative;

(b) receive and give receipt for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provisions of these Bylaws; and

(c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 6.09. Delegation of Secretary's and Treasurer's Responsibilities.
Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 6.07 and 6.08, 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 each such officer's such duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to any such officer, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 6.10. Chief Executive Officer
The Board of Directors may appoint a Chief Executive Officer, who may be, but who shall not be required to be, a member of the Cooperative. Such officer shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in him.

SECTION 6.11. Bonds.
The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board 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 costs of all such bonds shall be borne by the Cooperative.

SECTION 6.12. Compensation; Indemnification.
The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined as provided in Section 4.17 of these Bylaws, and the powers duties and compensation of any other officers, agents and employees shall be fixed or a plan therefor approved by the Board of Directors.

The Cooperative shall indemnify present and former Cooperative directors, officers (including the Chief Executive Officer), agents and employees against liability and costs of defending against liability, and shall purchase insurance in reasonable face amounts to cover such indemnification to the fullest extent such insurance is available, to the fullest extent permissible by law, including Section 48-58-301 through 48-58-601 (Section 304 excluded) of the Tennessee Nonprofit Corporation Act, as the same may from time to time be amended.

SECTION 6.13. 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 fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII - CONTRACTS, CHECKS AND DEPOSITS

SECTION 7.01. Contracts
Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer, agent or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 7.02. Checks, Drafts, etc.
All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness, issues in the name of the Cooperative, shall be signed or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 7.03. Deposits; Investments.
All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

ARTICLE VIII - MEMBERSHIP CERTIFICATES

SECTION 8.01. Certificate of Membership.
Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative's Charter (including Articles of Conversion) or its Bylaws. Such certificate, if authorized to be issued by the Board,

shall be signed by the President and by the Secretary, and the seal shall be affixed thereto; PROVIDED, the seal and the signatures of the President and the Secretary may be imprinted thereon by facsimile.

SECTION 8.02. Issue of Membership Certificates
No membership certificate shall be issued for less than the membership fee fixed by the Board of Directors nor until such membership fee, any required service security deposits, facilities extension deposits, service connection fees, or contributions in aid of construction have been fully paid.

SECTION 8.03. Lost Certificate.
In case of lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE IX - NON-PROFIT OPERATION

SECTION 9.01. Interest or Dividends on Capital Prohibited.
The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 9.02. Disposition of Revenues; Distribution of Excess.
With respect to the Cooperative's furnishing of electric service, the revenues therefrom for any fiscal year, in excess of the amount thereof necessary;

(1) to defray expenses of the Cooperative, including the operation and maintenance of its facilities during such fiscal year;

(2) to pay interest and principal obligations of the Cooperative coming due in such fiscal year;

(3) to finance, or to provide a reserve to finance, the construction or acquisition by the Cooperative of additional facilities to the extent determined by the Board;

(4) to provide a reasonable reserve for working capital;

(5) to provide a reserve for the payment of indebtedness of the Cooperative maturing more than one 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;

(6) to comply with any covenant or obligation of the Cooperative pursuant to any contract it has entered into; and

(7) to provide a fund for education in cooperation and for the dissemination of information concerning the effective use and conservation of electric power and energy and concerning any other services made available by the Cooperative, including, if the Board so authorizes, publication of or subscription to a Cooperative newsletter and/or a statewide or regional publication;

shall be distributed or credited by the Cooperative to patrons:

(A) as patronage refunds prorated in accordance with the patronage of the Cooperative by the respective patrons paid for during or with respect to such fiscal year; or

(B) by way of general reductions of rates or other charges; or

(C) by any combination of such methods.

SECTION 9.03. Use of Contributed Capital.
The primary purpose of the Cooperative is to furnish its patrons with electric service at the lowest rates and charges consistent with prudent management and sound economy. Therefore, all amounts received and receivable from the furnishing of electric energy to patrons, members and nonmembers alike, in excess of operating costs and expenses properly chargeable thereto are at the moment of receipt by the Cooperative received with the understanding that they are furnished by the patrons as capital. Capital contributed by the patrons shall be used only for capital purposes, including, without limitation, new electric system construction, the retirement of electric system indebtedness at or prior to maturity, and working capital adequate for all purposes, and for facilitation of general rate reductions.

SECTION 9.04. Ascertainment of Contributed Capital.
The Cooperative shall maintain such books and records as will enable it at any time, upon reasonable notice, to compute the amount of capital contributed during any given accounting period by each of its patrons.

SECTION 9.05. Contract.
The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the provisions of this Article of the Bylaws shall constitute and be a contract between the Cooperative and non-member patrons, and both the Cooperative and such 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 such patrons by being posted in a conspicuous place in the Cooperative's offices.

SECTION 9.06. Patronage Refunds in Connection with

Furnishing Other Services or Goods.
In the event that the Cooperative should engage in the business of furnishing services or goods other than electric power energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable thereto shall, insofar as permitted by law, be prorated annually on a patronage basis and, subject to their prior use for any proper purposes, be returned to those patrons from whom such amounts were obtained pursuant to such method, at such time, on such basis and in such order of priority as the Board of Directors shall determine.

ARTICLE X - WAIVER OF NOTICE

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws or any notice that may otherwise be legally required, either before or after such notice is required to be given.

ARTICLE XI - DISPOSITION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

SECTION 11.01. Disposition and Pledging of Property.
The Cooperative may authorize the sale, lease, lease-sale, disposition, pledging, mortgaging or encumbrancing of all, a substantial portion or any part of its assets and properties as provided by law, including Sections 65-25-113 and 114 of the Tennessee Code Annotated, as the same may from time to time be amended.

SECTION 11.02. Distribution of Surplus Assets on Voluntary Dissolution.
Upon the Cooperative's voluntary dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged, or adequate provision therefor has been made, shall be distributed as provided for in Section 65-25-120 (b) (2) of the Tennessee Code Annotated, as the same may from time to time be amended.

ARTICLE XII - FISCAL YEAR

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

ARTICLE XIII - RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these Bylaws and of any other committee of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Charter (including Articles of Conversion) or Bylaws. This Article shall be subordinate to any other provision of these Bylaws pertaining to the votes required for action by members, directors or committees.

ARTICLE XIV - 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".

ARTICLE XV - BYLAW AMENDMENTS

SECTION 15.01. Power to Amend.
The Cooperative's Bylaws may, subject to Section 15.02, be changed (adopted, amended or repealed) by the members, and the members may provide in the Bylaws that specific provisions thereof may also be changed by the Board of Directors, in which case such provisions shall contain a statement to that effect; PROVIDED, either the Board of Directors or the members may change any bylaw if, as established by law, such bylaw is illegal or has become a legal nullity.

SECTION 15.02. Procedure for Amending.
A bylaw may be changed only if (1) a copy or an accurate summary explanation of the proposed change is contained in or with the notice of the member or Board meeting at which it is to be acted upon; and (2) if to be acted upon by the members, it is sponsored by the Board of Directors or at least fifty (50) members who over their signatures file with the Cooperative a petition, proposing such change and setting forth with particularity the wording thereof and the time that the change is to become effective, at least forty-five (45) days prior to the date of the member meeting at which such change is proposed to be acted upon; PROVIDED, if the Cooperative is presented with a written request by one or more but less than fifty (50) members that a bylaw change be noticed to and acted upon by the members, and if the request sets forth with particularity the wording of the proposed change and the time that the change is to become effective, the Board of Directors may, but shall not be obligated to, waive the foregoing petition requirement and cause such proposed change to be noticed and acted upon; PROVIDED FURTHER, the Board of Directors shall not cause any proposed bylaw change to be noticed or acted upon, or permit any amendment to a proposed bylaw change to be acted upon, if it determines that such, if adopted, would be illegal or a legal nullity. A change so noticed may be amended from the floor of a Board meeting at which it is being considered if the amendment is germane thereto, but such an amendment shall not be allowable if the change is being considered by a member meeting.

ARTICLE XVI - EFFECTIVENESS

The foregoing Bylaws shall become effective immediately

upon their adoption at the special member meeting of the Cooperative on April 22, 1989, or any adjournment thereof.

April 1989
(Adopted April 22, 1989; amended by the Board of Directors on June 7, 1991; amended by the members on May 3, 2007; and amended by the members on May 5, 2011; and amended by the members on May 13, 2021; and amended by the members on May 1, 2025.)