

**BYLAWS OF
FORKED DEER ELECTRIC COOPERATIVE, INC.**

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 subdivisions 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 Forked Deer Electric Cooperative, Inc. (hereinafter called the “Cooperative”). No person shall hold more than one membership in the Cooperative.

Section 1.02 Application for membership.

To become a member any applicant for membership shall agree to purchase electric power and energy from the Cooperative, to comply with all the provisions of the Articles of Incorporation, these Bylaws, all rules, regulations and rate schedules established pursuant thereto, as all the same then exist, or may hereinafter be adopted or amended, all of which obligations embraced by such agreement, being hereinafter referred to as “membership obligations.” Said application shall be made in writing and on such form as will be provided 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 or fee, facilities extension deposit or contribution in aid of construction, which fees and deposits 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 plus accrued interest thereon at the legal rate in effect when such account first became overdue, compounded annually (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 Cooperative) renew and reactivate any prior application newly made on the day of such payment.

Section 1.03 Membership fee; security deposits; facilities extension deposits; and contribution in aid of construction.

The membership fee shall be from time to time fixed by action of the Board of Directors. The membership fee (together with any service security deposit, 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 (1) service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Board of Directors (together with a service security deposit, facilities extension deposit or contribution in aid of construction, if required by the Cooperative), shall be paid by the member for each additional service connection requested.

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” and “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 a 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 therefore; and
- (f) neither will be permitted to have any additional service connections except through their one joint membership unless such already existed as an individual membership prior to creation of the joint membership.

Section 1.05 Acceptance into membership.

Upon complying with the requirements set forth in Section 1.02, any applicants shall automatically become a member on the date of his connection for electric service; PROVIDED, the Board of Directors may by resolution deny any 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 reasonably diligent efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee

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, (except to the extent that the Board of Directors may in writing waive such requirement) and shall pay for the same in accordance with the rules, regulations 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 in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities, shall be subject to appropriate regulations as may 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 (1) 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 such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and pro-ration.

Section 1.07 Wiring of premises; responsibility therefore; responsibility for meter tampering or bypassing and for damage to Cooperative property; extent of Cooperative responsibility; indemnification.

Service to any person may in the discretion of the Board of Directors be conditioned upon such person furnishing to the Cooperative the certificate of a reputable inspector stating that the wiring of the premises served or to be served complies with all local regulations and is in accordance with the latest rules and regulations of the National Electric Code of the National Board of Fire Underwriters for the installing of electric wire, apparatus, and appliances, and is in accordance with the wiring specifications prescribed by the Rural Electrification Administration. The requirement or waiver of such a certificate, however, or the supplying of service on the basis thereof, shall not subject the Cooperative to liability to any member or other person for any damages or injuries sustained by reason of defects existing in the wiring of such premises. 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 all 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, of 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 responsibility of the Cooperative extend beyond the point of delivery.

Section 1.08 Easements and load management programs.

Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under any lands owned or leased by 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 and for any other services permitted by law.

Each member shall participate in any required program that may be established by the Cooperative to enhance load management more efficiently to utilize or conserve electric energy or to conduct load research.

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 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 reinstatement, 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 Terminations 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. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event such person's shall be reinstated retroactively to the date of his expulsion. After any finally effective expulsion of a member, he may not again become a member except upon new application therefore, duly approved as provided in Section 1.05. 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 membership obligations.

Section 2.03 Termination by withdrawal or resignation.

A member may withdraw from membership under applicable conditions as may be from time to time prescribed by the Board of Directors upon either (a) closing, ceasing to own or directly occupy or use all premises being furnished electric service pursuant to his membership, or (b) abandoning totally and permanently the use of central station electric service on such premises.

Section 2.04 Termination by death or cessation of existence; continuance 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 the death, withdrawal or addition of any additional 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 Effective termination.

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

Section 2.07 Board acknowledgement of membership termination; acceptance of members retroactively.

Upon the termination of a person's membership for any reason, the Board of Directors, as soon as practicable after such termination is made known to it, shall by appropriate resolution formerly 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.

Section 208 Change in premises to be served.

Any member who moves from one location to another shall be entitled to receive service at his new locations if (a) the member notifies the Cooperative of his change in location, describing the new premises and the type and the approximate amount of service desired therefore, (b) the new location is within the area of service of the Cooperative; as determined by the Board of Directors, and (c) such member pays a reasonable connection charge, the amount of which shall be determined by the Board.

Section 2.09 Removal from service area of Cooperative.

When in the judgment of the Board of Directors, the financial condition of the Cooperative justifies it, the Board may authorize the repurchase of memberships from members who have disposed of premises served by the Cooperative or removed from its service area.

ARTICLE III

Meetings of Members

Section 3.01 Annual Meeting.

For the purposes of electing Directors, 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 third Saturday of the month of August each year, at such place in one of the counties in Tennessee 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 sixty (60) 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 or dissolution of the Cooperative.

Section 3.02 Special meetings.

A special meeting of the members may be called by the Board of Directors, by a majority of the Directors in office, or upon written 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 in Tennessee within which the Cooperative serves, on such date, not sooner than forty (40) days after the call for such meeting is made or a petition therefore is filed, and beginning at such hour as shall be designated by those calling the same.

Section 3.03 Notice of members meetings.

Written or printed notice of the place, date and hour of the annual meeting and, in the case of a special meeting or of an annual meeting in which requiring special notice is to be transacted, the purpose or purposes of the meeting shall be delivered to each member not less than five (5) days nor more than sixty (60) days prior to the date of the meeting, either personally or by mail, by the Secretary (and in the case of a special meeting, at the direction of

him or those calling the meeting). Any such notice delivered by mail may be included with member's service billing, as an integral part of the Cooperative's monthly newspaper or as an integral part of any newsletter or periodical furnished to all members of the Cooperative. No matter which requires by law the affirmative vote of at least a majority of all the Cooperative members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. In making such computation the day of the mailing shall not be counted, but the date of the meeting shall be counted.

The incidental and non-intended failure of any member to receive such notice shall not invalidate any action which may be taken by the members at such meeting.

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 (1) 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 an objection shall notify the Secretary of his objection prior to the meeting.

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, 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 the 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, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference a list of those members who were registered as present in person.

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. 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 majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation, or these Bylaws. Members may not cumulate their votes or vote by proxy or mail.

Section 3.06 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, shall be essentially as follows:

Report on the number of members present in person in order to determine the existence of a quorum;
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;
Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
Presentation and consideration of reports of officers, Directors and committees;
Election of Directors;
Unfinished business;
New Business; and
Adjournment.

ARTICLE IV

Directors

Section 4.01 Number and general power.

The business and affairs of the Cooperative shall be managed under the direction of a Board of nine (9) Directors. The Board shall exercise all the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation, 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:

- (a) Is a close relative (as defined in Section 4.12) of an incumbent Director or an employee of the Cooperative; and
- (b) Has not, within four (4) years of becoming a Trustee, received the National Rural Electric Cooperative Association Credentialed Cooperative Director designation (effective for Trustees elected August 18, 2018 and thereafter); and
- (c) Has been an employee of the Cooperative within three (3) years and/or thirty-six (36) months after separation date; and
- (d) Is at least 21 years of age; and
- (e) While a Trustee, and during the five (5) years immediately prior to becoming a Trustee,
 - (1) Has not been, for at least one (1) year prior to the nomination, or ceases after being elected to be, a member in good standing of the Cooperative;
 - (2) Is, or has been, convicted of a felony; or
 - (3) Pleads, or has pled, guilty to a felony;

No members shall be eligible to become or remain a Director or to hold any position of trust in the Cooperative who is not a bona fide resident of the particular district which he proposes to represent, or who is in way employed by or financially interest in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative, and no person shall take or hold office as a Director who is the incumbent of or candidate for an elective public office in connection with which a salary is paid.

When a membership is held jointly by a husband and wife, either one but not both, may be eligible, PROVIDED, HOWEVER, that neither one shall be eligible to become or remain a Director nor to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set out. Nothing in this Section contained, or shall be construed to, effect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

Notwithstanding any of the foregoing provisions of this Section, treating close relative relationships, no incumbent Director shall lose eligibility to remain a Director or to be re-elected as a Director if at the time of the enactment of this Section he is a close relative of

another incumbent Director or of a Cooperative employee. Furthermore, 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.

Section 4.03 Term and Tenure.

The term of elected Directors is three (3) years and the terms shall expire at the annual meeting of the members of the year in which their term expires.

All Directors presently serving shall continue in office until their terms expire. Election for Directors from Director Districts of the “first”, “second” and “third” classes (as herein defined in Section 4.04) shall be held at the annual meetings in the years 1994, 1995, and 1996, respectively. Beginning in the year 1997 and thereafter, directors of the various districts shall be elected at the district meetings in compliance with Article IV, Section 4.05.

Section 4.04 Director Districts.

The territory served by the cooperative shall be divided by the Board of Directors into nine (9) Director Districts. Each Director District shall be represented by one (1) Director who must be a resident of, domiciled in and receiving service at his principal place of residence within the District which he represents. The Board of Directors at any regular or special meeting held not less than sixty (60) days prior to the annual meeting of the members may, by resolution, alter the geographical boundaries of the Districts with the aim of arranging equitable districting. The Board of Directors may be required to consider and take action upon rearrangement of geographical boundaries.

Failure of the Board of Directors to make such redistricting may not invalidate or in any way effect or impair the validity of the Cooperative action.

For the purpose of electing Directors for staggered terms, Director Districts One, Two, Three, shall constitute Districts of the “First Class”; Director Districts Four, Five Six shall constitute Districts of the “Second Class”; and Director Districts Seven, Eight and Nine shall constitute Districts of the “Third Class”.

Section 4.05 Nominations and Elections of Directors

Not less than thirty (30) days nor more than sixty (60) days before the annual meeting the Board of Directors shall call a separate meeting of the members of any District where the office of Director is up for election with such meeting being scheduled at a suitable time and

place *located within* such district for the purpose of electing such Director to represent the members *located within* such District.

Each member located in such District (as provided or established in Section 4.04) shall be delivered notice of such meeting and the notice shall indicate the District to which such member belongs. The notice shall state that a member of such district may qualify as a candidate if he/she resides in the District and possess all the qualifications for Director specified in Section 4.02 of Article IV of these By-Laws.

Furthermore, in order to become a qualified candidate for election as a director of such district, such member must file with the Secretary of Forked Deer Electric Cooperative, Inc., not less than twenty (20) days prior to the date of the district meeting, a written petition nominating such person as a candidate and signed by not less that twenty-five (25) qualified and eligible voting members in the voting district.

In the event there is only one (1) candidate who qualifies for election as Director of a District, then the signatures cast on the qualifying petition shall be deemed as votes cast on behalf of the qualified candidate and the qualified candidate shall be deemed elected without the necessity of convening the District meeting referenced in this section.

In the event more than one (1) candidate qualifies for election as Director of a District the District meeting shall be convened and the District meeting shall be called to order by the Director representing the District or by another designated representative of the Board of Directors, or in his/her absence, by any member residing within the District. The members shall then proceed to elect a chairman, who should be someone other than a Director, and who shall appoint a secretary to act for the duration of the meeting. A majority of the members present who reside in the District at such duly called District meeting shall constitute a quorum. There shall be no nomination from the floor. Election for each district will be held within the district and only members of that district will be eligible to vote. If the member petitioned is not present, such member shall not be accepted by the chairperson as a candidate unless the chairperson has in hand a written statement from such member stating that person's willingness to serve as a director if elected.

Voting shall be by ballot. Each member may vote for one candidate. The candidate from each District receiving the highest number of votes at this meeting shall be considered elected as Director. Drawing by lot shall resolve, where necessary, any tie votes. Such Director's terms shall commence with the first meeting held contemporaneous with the annual meeting.

The District Meeting shall be open for discussion of any other matters pertaining to the business of the Cooperative, regardless of whether or not such matters were listed in the notice of the meeting, and recommendations with respect thereto may be submitted to the Board of Directors or to the entire membership.

Members of other Districts present at the District Meeting may be heard by shall have no vote.

A certified copy of the minutes, signed by the Secretary and the Chairman of the District Meeting shall be delivered to the Secretary of the Cooperative, within five (5) days after such District Meeting.

Section 4.06 Removal of Directors.

Any member may bring one (1) or more charges, for cause, against any one (1) or more Directors and request the removal of such Director or Directors by filing with the Secretary, in writing, the charge or charges, together with a petition signed by not less than ten percent (10%) of the total membership of the Cooperative, which petition shall call for a special member meeting thereof and specifies the place, time and date thereof, not less than forty (40) nor more than ninety (90) days after filing of the petition shall request that the matter be acted upon at the next annual member's meeting if such members meeting will be held no sooner than forty (40) nor more than ninety (90) days after filing of the petition. Each page of the petition shall state the name and address of each member filing such charge, a verbatim statement of such charge or charges, and the name or names of the Director or Directors against whom such charge or charges is or are made. The petition shall be signed by each member in the same name as is billed by the Cooperative and shall state the signatory's address as the same appears on such billing. Notice of such verbatim charge or charges against the Director or Directors against whom the charge or charges have been made and of the member or members filing the charge shall be contained in the notice of the meeting, or separate notice to the members, not less than five (5) days prior to the member meeting at which the matter will be acted upon. Such Director or Directors shall be informed in writing of the charges after they have been validly filed and at least twenty (20) days prior to the meeting of the members at which the action is to be considered and each charged Director 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 to the charge or charges; the person or persons bringing the charge or charges shall have the same opportunity, but must be heard first. The question of removal of such Director or Directors shall, separately for each if more than one (1) has been charged, be considered and voted upon at such meeting by secret ballot. Any vacancy created by such removal shall be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nomination(s) and nomination(s) shall be made from the floor. A newly elected Director shall be from the same Director District as was the Director whose office he succeeds and shall serve until the next annual members meeting.

Section 4.07 Vacancies.

Subject to the provisions of Section 4.06 with respect to the filling of vacancies caused by the removal of Directors by the members, a vacancy occurring in the Board of Directors shall be filled by the Board of Directors from among qualified members in the Director District from

which the vacancy occurred. A Director thus elected shall serve until the next annual members' meeting or until his successor is elected and qualified.

Section 4.08 Compensation; expenses.

For their attendance at meetings of the Board of Directors, the Directors shall, on a per diem basis, receive such fee, which may include insurance benefits, as is fixed by resolution by Board of Directors. Directors may receive, on a per diem basis, the same or a different fixed fee for their duly authorized attendance at other type meetings or other performance of other Director duties. Directors shall receive advancement or reimbursement of any travel and out-of-pocket expenses actually necessarily and reasonably incurred in performing their duties. No Director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of any Director receive compensation for serving the Cooperative, unless the payment and amount of such compensation shall be specifically authorized by a vote of the members or such payment and amount shall be specifically authorized by the Board of Directors upon their certification of such as an emergency measure; PROVIDED, that 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 services by the Board of Directors.

Section 4.09 Rules and regulations.

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

Section 4.10 Accounting.

The Board of the Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperatives accounts, books and records reflecting financial operations during, and financial conditions 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 4.11 Subscription to Cooperative's Newsletter.

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 the Cooperative newsletter,

“The Council” or any successor such publication, the annual subscription price 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.

Section 4.12 Close relative defined.

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

ARTICLE V

Meetings of Directors

Section 5.01 Regular meetings.

A regular meeting of the Board of Directors shall be held without notice other than this By-law, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly as such time and place in Lauderdale County, Tennessee, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Section 5.02 Special meetings.

Special meetings of the Board of Directors may be called by the President or any three (3) Directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place (which shall be in one of the counties in Tennessee within which the Cooperative serves) for the holding of any special meeting of the Board of Directors called by them. 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.

Notice of the time, place and purpose of any meeting of the Board of Directors shall be given at least three (3) days previous thereto, by written notice, delivered personally or mailed, to each Director at his last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except in case a Director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 5.04 Quorum.

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 5.05 Manner of acting.

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE VI

Officers

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 the Secretary and Treasurer may be held by the same person.

Section 6.02 Election and term of office.

The officers shall be elected, by ballot, annually by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

Section 6.03 Removal.

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

Section 6.04 Vacancies.

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

Section 6.05 President.

The President shall:

Be the principle executive officer of the Cooperative and shall preside at all meetings of the members of the Board of Directors; 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 in general shall 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:

Keep the minutes of the meetings of the members and of the Board of Directors in one of more books provided for that purpose; see that all notices are duly given in accordance with these Bylaws or as required by law; 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 provisions of these Bylaws; keep a register of the post office address of each member which shall be furnished to the Secretary by such member; sign with the President certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors; have general charge of the books of the Cooperative in which a record of the members is kept; keep on file at all

times a complete copy of the Bylaws of the Cooperative containing all amendments thereto, which copies shall always be open to the inspection of any member, and at the expense of the Cooperative forward a copy of the Bylaws and of all amendments thereto upon request to each member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6.08 Treasurer.

The treasurer shall:

Have charge and custody of and be responsible for all funds and securities of the Cooperative; receive and give receipts 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 in general perform all the duties incident to the office of Treasurer and other such 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 herein before 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 such shall be released from such duties, responsibilities, and authorities.

Section 6.10 Manager.

The Board of Directors may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall have general oversight, care and management of the property and business of the Cooperative and shall perform such additional duties and have such additional authority as the Board of Directors may from time to time require of or vest in the manager, provided, however, that the manager shall always be subject to the direction and management of the Board of Directors through action taken at regular or special meetings of such board.

Section 6.11 Bonds.

The Board of Directors shall require the Treasurer and any other officer, agent or other 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 cost 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 the Director shall be determined as provided in Section 4.08 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefore approved by the Board of Directors. The Cooperative shall indemnify Directors, officers, including the General Manager, agents and employees against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interest of the Cooperative, or were not against the best interest of the Cooperative. The Cooperative may purchase insurance to cover such indemnification.

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, Check 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, issued 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 by 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 Articles of Incorporation 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 certificates 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, services connection fees, or contributions in aid of construction have been fully paid.

Section 8.03 Lost certificate.

In case of a 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 members. No interest or dividends shall be paid by the Cooperative on any capital furnished by its members.

ARTICLE X

Waiver of Notice

Section 10.01 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 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 65-25-213 and 214 of the Tennessee Code Annotated, Acts 1988, Chapter 689, Section 2, as the same may from time to time be amended.

Section 11.02 Distribution of surplus 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 therefore has been made, shall be distributed as provided in Section 65-25-220 (b) 2 of the Tennessee Code Annotated, Acts 1988 Chapter 689, Section 2, as the same may from time to time be amended.

ARTICLE XII

Fiscal Year

Section 12.01 Fiscal year.

The fiscal year of the Cooperative shall begin on the first day of July of each year and end on the thirtieth day of June of the following year.

ARTICLE XIII

Rules of Order

Section 13.01 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 Articles of Incorporation 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

Section 14.01 Seal.

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Tennessee".

ARTICLE XV

Amendments

Section 15.01 Method of amendment.

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than a majority of the votes cast by the members voting thereon at any regular or special member meeting but only if the notice of such meeting shall have contained a copy of the proposed alterations, amendment or repeal or an accurate summary explanation thereof.

ARTICLE XVI

Membership in Other Organizations

Section 16.01 Membership in Other Organizations.

The Cooperative may become a member in one (1) or more other cooperatives or corporations or to own stock therein; such membership or stock ownership shall include, but not be limited to, membership in national, state or regional organizations or associations of cooperatives having purposes and objectives for bettering and perpetuating activities for promoting the general welfare of all similar cooperatives and to pay the per diem and expenses of delegates or representatives of the Cooperative who attend meetings of the same; and further including membership any corporation or cooperative association which requires membership therein as a condition precedent to extending credit to meet the financial needs of the Cooperative.