



# Bylaws

(As amended through April 25, 2009)

## STATEMENT OF NONDISCRIMINATION

Suwannee Valley Electric Cooperative, Inc. is the recipient of Federal financial assistance from the Rural Utilities Service, an agency of the U.S. Department of Agriculture, and is subject to the provisions of Title VI of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, and the rules and regulations of the U.S. Department of Agriculture which provide that no person in the United States on the basis of race, color, national origin, age, or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

The person responsible for coordinating this organization's nondiscrimination compliance efforts is the Director of Finance and Administrative Services. Any individual, or specific class of individuals, who feels that this organization has subjected them to discrimination may obtain further information about the statutes and regulations listed above from and/or file a written complaint with this organization; or the Secretary, U.S. Department of Agriculture, Washington, D.C. 20250; or the Administrator, Rural Utilities Service, Washington, D.C. 20250. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.



**S**uwannee  
**V**alley  
**E**lectric  
**C**ooperative

Suwannee Valley Electric Cooperative, Inc.

Post Office Box 160  
Live Oak, Florida 32064  
(386) 362-2226

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**BYLAWS  
OF  
SUWANNEE VALLEY  
ELECTRIC COOPERATIVE, INC.  
LIVE OAK, FLORIDA**

**2009  
(As amended through April 25, 2009)**

**ARTICLE I  
MEMBERSHIP**

**Section 1. Requirements for Membership.**

Any natural person, firm, association, corporation, business trust, partnership, federal agency, state or political subdivision or agency thereof, or any body politic may become a member of Suwannee Valley Electric Cooperative, Inc. (hereinafter called the "Cooperative") by:

- (a) filing a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules, regulations, and policies adopted by the Board of Trustees; and
- (d) paying the membership fee hereinafter specified;

provided, however, that no such applicant for membership shall become a member unless and until he, she or it has been accepted for membership by the Board of Trustees or the members. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable.

**Section 2. Membership Record & Certificates.**

The Cooperative shall maintain complete records of the names and address of all members, which shall be conclusive evidence of membership. Membership may be further evidenced by a membership certificate which, if issued, shall be in such form and contain such provisions as determined by the Board of Trustees. Any such certificates, if issued, shall be signed by the President and Secretary of the Cooperative and the corporate seal shall be affixed there-

to. No membership certificate shall be issued unless the membership fee fixed in these bylaws shall be paid in cash. A new certificate may be issued if a certificate has been lost, destroyed, misplaced or mutilated upon such uniform terms and indemnity to the Cooperative as the Board of Trustees may prescribe.

**Section 3. Joint Membership.**

Any two or more natural persons principally residing at the same location or jointly owning the property to which electrical service is being provided by the Cooperative, may apply for joint membership in the Cooperative and, subject to their compliance with the requirements set forth in this Article, may be accepted for such membership. If the joint members are husband and wife, the survivor shall succeed to all membership interest in the event of the death of one of the spouses. Upon the death of any other joint member, unless the membership application provides for joint tenancy with right of survivorship, the membership interest of such deceased member shall terminate as otherwise provided in these bylaws. Without limiting the generality of the foregoing, the effect of the hereafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- (a) the presence at a meeting of any one joint member shall be regarded as the presence of all and shall have the effect of revoking a proxy executed by any joint member and constitutes waiver of notice of the meeting;
- (b) the vote of either separately or jointly shall constitute one vote;
- (c) a waiver of notice signed by one shall constitute a joint waiver;
- (d) notice to any shall constitute notice to all;
- (e) expulsion or withdrawal of any shall terminate the joint membership;
- (f) Not more than one joint member may be elected or appointed as an officer or Trustee, provided all meet the qualifications of office.

**Section 4. Conversion of Membership.**

(a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse, or other proposed joint member, to comply with the articles of incorporation, bylaws and rules and regulations adopted by the Board of Trustees. The outstanding membership certificate, if any, shall be surrendered, and reissued by the Cooperative in such manner as shall indicate the changed membership status.

(b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. Upon the death of a joint member who holds membership as a joint tenancy with right

of survivorship, the survivor or survivors shall be the members and if the membership is not held as joint tenants with right of survivorship, the membership interest of the deceased joint member shall terminate. The outstanding membership certificate, if any, shall be surrendered, and reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased member shall not be released from any debts due the Cooperative.

**Section 5. Membership and Service Connection Fees.**

The membership fee shall be Five Dollars (\$5.00). Service connection fees shall be established, from time to time, by resolution of the Board of Trustees of the Cooperative.

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

Each member shall purchase from the Cooperative all electric energy used on the premises specified in the application for membership, and pay therefore rates from time to time be fixed by the Board of Trustees; provided, however, that the Board of Trustees may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Trustees from time to time. Each member shall also pay all amounts owed to the Cooperative as and when the same shall become due and payable.

**Section 7. Termination of Membership.**

Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of all the Trustees, expel any member who shall have refused or failed to comply with any of the provisions of the articles of incorporation, bylaws or rules, regulations or policies adopted by the Board of Trustees, but only if such member shall have been given written notice by the Secretary of the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board of Trustees or by vote of the members at any annual or special meeting.

Upon the withdrawal, death of a natural person, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate, if any, of such member shall be surren-

dered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

**ARTICLE II**

**RIGHTS AND LIABILITIES OF MEMBERS**

**Section 1. Property Interest of Members.**

Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven (7) years next preceding the date of the filing of the certificate of dissolution.

**Section 2. Non-liability for Debts of the Cooperative.**

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

**ARTICLE III**

**MEETING OF MEMBERS**

**Section 1. Annual Meeting.**

The Annual Meeting of the Members shall be held each year at a time and at such place in the territory or area served by the Cooperative as shall be designated by the Trustees by written notice to the members for the purpose of electing Trustees, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the Annual Meeting at the designated time or place shall not work a forfeiture or dissolution of the Cooperative.

**Section 2. Special Meetings.**

Special meetings of the members may be called by resolution of the Board of Trustees, or upon written request of three (3) Trustees, by the President, or by ten percent (10%) or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the Counties of Suwannee, Columbia, Lafayette or Hamilton, State of Florida, specified in the notice of the special meeting.

**Section 3. Notice of Members' Meetings.**

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business other than that listed in Section 7 of this article is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered to each member not less than ten (10) days nor more than forty-five (45) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action taken by the members at any such meeting.

**Section 4. Quorum.**

At any meeting of members, a total of one percent (1%) of all members present in person or by proxy shall constitute a quorum for the transaction of business at such meeting. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided that the Secretary shall notify all members of the time and place of such adjourned meeting.

**Section 5. Voting.**

Each member shall be entitled to only one vote. All questions shall be decided by a vote of a majority of the members.

**Section 6. Designation of Voting Representative of Members Other Than a Natural Person.**

To be eligible to vote, each member of the Cooperative, other than members who are natural persons, must designate a voting representative, in writing, to vote at any meeting of the members pursuant to such rules and procedures as may be from time to time established by the Board of Trustees.

**Section 7. Order of Business.**

The order of business at the Annual Meeting of the Members and, so far as possible, at all other meetings of the members, shall be as follows:

1. Report as to which members are present in person or by proxy and whether a quorum is relevant.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or waiver of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of members and

the taking of necessary action thereon.

4. Presentation and consideration of reports of officers, Trustees and committees.
5. Election of Trustees.
6. Unfinished business.
7. New business.
8. Adjournment.

**Section 8. Proxy Voting.**

Any member of the Cooperative shall be permitted to vote in person or by proxy at any annual or special meeting of the members. Proxy voting shall be permitted as otherwise allowed by law, but only if the written proxy is filed with the Secretary of the Cooperative at least five (5) days prior to such annual or special meeting. Any proxy must be duly signed by the member. The member's name must be clearly typed or printed thereon and must clearly state the name and address of the proxy so designated. Any person may be designated as proxy for an unlimited number of members. The form of proxy shall be as prescribed by the Board of Trustees, but shall be limited as otherwise provided by law and must specifically list the issue or issues to be voted upon by the proxy. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which the proxy is given. No proxy voting shall be permitted at any district meeting as provided for in Article IV, Section 4 hereof.

**ARTICLE IV  
TRUSTEES**

**Section 1. General Powers.**

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

**Section 2. Qualifications and Tenure.**

The members shall elect by ballot at the Annual Meeting of the Members nine (9) Trustees, which shall consist of one (1) Trustee for each district. The Trustees elected from Districts 1, 2 and 3 shall be elected at the annual meeting held in 2005. Trustees elected from Districts 4, 5 and 6 shall be elected at the annual meeting held in 2006. Trustees elected from Districts 7,8 and 9 shall be elected at the annual meeting held in 2007. Thereafter, each Trustee

elected from each of the nine(9) districts of the Cooperative shall serve for a term commencing with the close of the Annual Meeting of Members at which each such Trustee was elected and continue until the close of the third (3rd) regular Annual Meeting of the Members held thereafter.

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

- (a) Is not a member and bona fide resident in the area served by the Cooperative; or
- (b) Is any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative;
- (c) Is the incumbent of or candidate for an elective public office in connection with which salary or compensation in excess of one hundred dollars (\$100 00) per annum is paid.
- (d) Has been convicted of a felony in any court and less than four (4) years has expired after completion of sentence unless, prior to the expiration of the four (4) year period, he or she has received a full pardon or has had his or her civil rights restored.
- (e) Has been employed by the Cooperative at any time during the past five (5) years prior to the date of the election of such person.

Upon establishment of the fact that a Trustee is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the Board of Trustees to remove such Trustee(s) from office.

If any Trustee shall be charged in any court with the commission of a felony, such person shall be immediately suspended as a Trustee of the Cooperative without any of the benefits of that office and such suspension shall continue pending a final decision on such charge. If such person shall be found "not guilty" or if the charges shall be dismissed, then such person shall be immediately reinstated as a Trustee with all benefits of such office.

No person shall be removed or suspended as a Trustee of the Cooperative until after such person shall be given ten (10) days prior written notice of a public hearing at which the Board of Trustees shall determine the question of removal or suspension of such person based on testimony and evidence presented to it. Such person may be represented by an attorney.

Nothing contained in this section shall affect in any manner whatsoever the validity for any action taken at any meeting of the Board of Trustees.

### **Section 3. Voting Districts.**

The territory served or to be served by the Cooperative shall be divided into nine (9) districts, each of which shall contain as nearly as possible the same number of members. Each district shall be represented by one Trustee. The original nine Districts shall be as follows:

District No. 1	District No. 4	District No. 7
District No. 2	District No. 5	District No. 8
District No. 3	District No. 6	District No. 9

Not less than sixty (60) days before any meeting of the members at which Trustees are to be elected, the Board of Trustees shall review the composition of the several districts and, if it should be found that inequalities in representation have developed which can be corrected by a re-delineation of districts, the Board of Trustees shall reconstitute the districts so that each shall contain as nearly as possible the same number of members.

### **Section 4. Nomination and Election of Trustees.**

- (a) Nomination at District Meetings.

Not less than thirty (30) days nor more than sixty (60) days before any meeting at which Trustees are to be elected, the Board of Trustees shall call a separate meeting of the members of each district at a suitable place in such district for the purpose of selecting persons as candidates for Trustees to represent the members located within such district. The notice of such meeting shall be delivered to each member located in such district as provided in Article III, Section 3, and shall indicate the district to which the member belongs. The notice shall state that nominations for Trustees are to be made at the meeting. The meeting shall, however, 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 the recommendations with respect thereto may be submitted to the Board of Trustees or the other membership.

The district meeting shall be called to order by the Trustee representing the district or by another designated representative of the Board of Trustees, or, in his absence, by any member residing within the district. The members shall then proceed to elect a chairman, who shall be someone other than a Trustee, and who shall appoint a secretary to act for the duration of the meeting. Fifteen (15) members residing in the district present at such duly called district meetings shall constitute a quorum. Members of other districts present at the meeting may be heard but shall have no vote. Nominations for candidates for Trustees shall be made from the floor at the meeting, and any member residing in the district shall have right to nominate one candidate. The meeting shall remain open for nomi-

nations until no further nominations are forthcoming, but in no case less than five (5) minutes. Candidates must be members residing in the district and must possess the qualifications of Trustees specified in Article IV, Section 2, of these bylaws. In the event that a quorum is not present at said district meeting, the incumbent Trustee will be automatically nominated and shall be declared the official candidate for Trustee for said district.

Voting shall be by ballot. Each member may vote for one candidate. The candidate receiving the highest number of votes shall be declared the official candidate of the district. The minutes of such district meeting shall set forth, among other matters, the name of each person nominated at the meeting and the number of votes received by each and shall specify the official candidate of the district. A certified copy of the minutes of said meeting shall be signed by the secretary of said meeting and said certified copy of said minutes shall be filed with the Secretary of the Cooperative within five (5) days after said meeting.

(b) Election of Trustees.

Not less than ten (10) days before an annual meeting or special meeting of the members at which Trustees are to be elected, the Secretary of the Cooperative shall mail to each member a list of the candidates selected at all district meetings, the names to be arranged by districts. This list may be included with the notice of the meeting. At the meeting the Secretary of the Cooperative shall place in nominations the name of the official candidate of each district. Additional nominations for Trustees for a particular district may be made from the floor, provided, no nominations may be made from the floor unless at least twenty (20) days prior to the date of the annual meeting, written notice is given to the Secretary of the Cooperative, specifying the name of any person to be nominated from the floor. Such notice shall specify the particular district for which such nominee will be proposed and include a certification in form approved by the Secretary of the Cooperative, signed by the nominee which confirms that the nominee possesses the qualifications to be elected as a Trustee as specified in Section 2, Article IV of these Bylaws. Election of Trustees shall be by printed or mimeographed ballot. The ballots shall list the candidates selected at the district meetings, the names to be arranged by districts. A candidate nominated from the floor of the meeting may be voted for by writing in the name of such candidate beneath the names of the official candidate of the particular district. Each member of the Cooperative present in person or by proxy at the meeting shall be entitled to vote for one candidate from each district. The candidate from each district receiving the highest number of votes at this meeting shall be elected as Trustee.

**Section 5. Removal of Trustees by Members.**

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

**Section 6. Vacancies.**

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

**Section 7. Compensation.**

Trustees as such shall not receive any salary for their services, but by resolution of the Board of Trustees, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Trustees and such other meeting as shall be authorized by the Trustees. No Trustee shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Trustee receive compensation for serving the Cooperative, unless the payment of compensation shall be specifically authorized by a vote of the members or the service by such Trustee or close relative shall have been certified by the Board of Trustees as an emergency measure.

**ARTICLE V**

**MEETING OF TRUSTEES**

**Section 1. Regular Meetings.**

A regular meeting of the Board of Trustees shall be held without notice other than this bylaw, immediately after, and at the same place as, the Annual Meeting of the Members. Regular meetings of the Board of Trustees shall also be held monthly at such time and place as the Board of Trustees may provide by resolution. Such regular monthly meetings may be held without notice

other than such resolution fixing the time and place thereof.

### **Section 2. Special Meetings.**

Special meetings of the Board of Trustees may be called by the President or by any three (3) Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the Trustees calling the meeting shall fix the time and place (which shall be in Suwannee, Lafayette, Columbia or Hamilton Counties, Florida), for the holding of the meeting.

### **Section 3. Notice of Trustee Meetings.**

Written notice of the time, place and purpose of any special meeting of the Board of Trustees shall be delivered to each Trustee not less than five (5) days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Trustees calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Trustee at his address as it appears on the records of the Cooperative, with postage thereon prepaid.

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

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

## **ARTICLE VI**

### **OFFICERS**

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

The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer. The offices of Secretary and of Treasurer may be held by the same person.

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

The officers described in Section 1 above, shall be elected annually by and from the Board of Trustees at the meeting of the Board of Trustees held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently as possible. Each officer shall hold office until the

first meeting of the Board of Trustees following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Trustees for the unexpired portion of the terms.

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

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

### **Section 4. President.**

The President shall:

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

### **Section 5. Vice-President.**

In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions

upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the Board of Trustees.

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

The Secretary shall:

- (a) keep the minutes of the meetings of the members and of the Board of Trustees in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and affix the seal of the Cooperative to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized or required by law or under the provisions of these bylaws;
- (d) maintain and have custody of a register of the names and post office addresses of all members; and any other books of the Cooperative in which a record of the members is kept;
- (e) sign, with the President, certificates of membership, the issue of which shall have been authorized by the Board of Trustees;
- (f) keep on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative and all amendments thereto, which copy shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of the bylaws and all amendments thereto to each member requesting the same; and
- (g) 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 Trustees.

#### **Section 7. Treasurer.**

The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) be responsible for the receipt of and the issuance of receipts for moneys due and payable to the Cooperative from any source whatsoever, and for the deposit of all such moneys in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) 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 Trustees.

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

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

#### **Section 9. Other Officers and Agents.**

The Board of Trustees may, in its discretion, appoint or designate other officers or agents, including such vice presidents, assistant vice presidents, assistant secretaries or assistant treasurers or assistant managers, as the Board of Trustees may determine to be appropriate for the operation of the business of the Cooperative. Such other officers and agents shall serve at the pleasure of the Board of Trustees.

#### **Section 10. Bonds of Officers.**

The Treasurer and any officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

#### **Section 11. Compensation.**

The powers and compensation of all officers, agents and employees shall be fixed by the Board of Trustees. The duties of all agents and employees may be delegated by the Board of Trustees, subject to the provision of these bylaws.

#### **Section 12. Reports.**

The officers of the Cooperative shall submit at each Annual Meeting of the Members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VII**

### **DISPOSITION OF REVENUE AND RECEIPTS**

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

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

#### **Section 2. Patronage Capital in Connection with Furnishing Electric Energy.**

In the furnishing of electric energy, the Cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses, at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of the operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to an account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

#### **Section 3. Dissolution or Liquidation.**

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a prorata basis before any payments are made on account of property rights of members.

#### **Section 4. Retirement of Capital.**

If, at any time prior to dissolution or liquidation, the Board of Trustees shall determine that the financial condition of the Cooperative will not be impaired thereby, the Capital then credited to members' accounts may be retired

in full or in part. Any such retirement of capital shall be made according to such rules, regulations, and policies as are adopted by the Board of Trustees.

#### **Section 5. Assignment of Capital.**

Capital credited to the account of each member shall be assignable only on the books of the Cooperative pursuant to written instruction from the member and only to successors in interest or successors in the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise.

#### **Section 6. Death of Individual Member.**

Notwithstanding any other provision of these bylaws, the Board of Trustees may, from time to time and at its discretion, adopt a rule, regulation or policy to provide for distribution in whole or in part of accumulated capital upon the death of any member who is a natural person. Distribution may be made upon such terms and conditions as the Board of Trustees, acting under rules, regulations and policies of general application shall determine.

#### **Section 7. Failure to Claim Cash Retirement of Capital Credits Within Three (3) Years; Assignment to Cooperative.**

Notwithstanding any other bylaw provision or provisions in the membership agreement, if a member (member as used herein shall include a former member) fails to claim any cash retirement of capital credits within three (3) years after payment of the same has been declared payable to such member by a notice or check mailed to the member at the last known address of the member, then such funds shall be considered to be an absolute and irrevocable assignment of the payment due the member to the Cooperative, less any charges for maintaining the member's accounts. The Cooperative's notice obligation to the member shall be satisfied by a good faith attempt to deliver a notice or payment to the member at the last address furnished by the member to the Cooperative. The irrevocably assigned capital credits shall be reallocated on a patronage basis to those members who received services in the calendar year in which the assignment to the Cooperative occurs.

## **ARTICLE VIII**

### **DISPOSITION OF PROPERTY**

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative, and unless the notice of such

proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Trustees of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and whatever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Trustees shall determine, to secure any indebtedness of the Cooperative to United States of America or any instrumentality or agency thereof, or to any financing institution, organized on a cooperative plan for the purpose of financing its members' programs, projects and undertakings, in which the Cooperative holds membership.

## **ARTICLE IX**

### **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, Florida."

## **ARTICLE X**

### **FINANCIAL TRANSACTIONS**

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

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

#### **Section 2. Checks, Drafts, Etc.**

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

#### **Section 3. Deposits.**

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

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

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

## **ARTICLE XI**

### **MISCELLANEOUS**

#### **Section 1. Membership in Other Cooperatives or Corporations and Ownership of Stock.**

The Cooperative may become a member of other cooperatives or corporations or own stock in any cooperative or corporation upon approval of two thirds (2/3rds) majority of the Board of Trustees of the Cooperative.

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

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

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

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

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

The Board of Trustees shall cause to be established and maintained a complete accounting system which, among other things, subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. Accounts of the Cooperative shall be examined by the Board of Trustees at least once each year at regular meetings of the Board of Trustees. The Board of Trustees shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A financial report shall be submitted to the members at the following annual meeting.

#### **Section 5. Board Committees.**

The Board of Trustees may from time to time establish such standing or

special committees thereof as it may determine appropriate for the management of the business and affairs of the Cooperative and may delegate to such committees any of the responsibilities of the Board of Trustees as it may deem appropriate, provided that any such committees, whether standing or special, shall report periodically but in any event not less frequently than annually, to the Board of Trustees with respect to the actions of such committee.

**Section 6. Indemnification.**

To the maximum extent allowed by law, the Board of Trustees of the Cooperative shall have the power to indemnify any person who was or is a party to any proceeding, action or claim by reason of the fact that he is or was a trustee, director, manager, officer, employee or agent of the Cooperative or is or was serving at the request of the Cooperative as a trustee, director, manager, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against liability or expenses, including attorney's fees, incurred in connection with any such proceeding, action or claim, including any and all appellate proceedings resulting therefrom.

**ARTICLE XII**

**AMENDMENTS**

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall include a copy of the proposed alteration, amendment or repeal.