

BALDWIN COUNTY ELECTRIC
MEMBERSHIP CORPORATION

SUMMERDALE, ALABAMA

BYLAWS

Revised December 9, 2011

BALDWIN



Your Touchstone Energy[®]
Cooperative 

The logo for Touchstone Energy Cooperative, featuring a stylized figure with arms raised, flanked by two curved lines that suggest a sun or a bridge.

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BYLAWS

BALDWIN COUNTY ELECTRIC MEMBERSHIP CORPORATION

Summerdale, Alabama

Revised December 9, 2011

ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Baldwin County Electric Membership Corporation (hereinafter called the “Cooperative”) upon receipt of electric service from the Cooperative, provided that the person or entity has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase from the Cooperative electric energy as hereinafter specified;
- (c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board; and
- (d) Paid the membership fee hereinafter specified.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these bylaws.

SECTION 2. Record of Membership. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Cooperative and shall be maintained by the Cooperative in a medium determined by the Cooperative, whether paper, electronic, or other.

SECTION 3. Joint Membership. A husband and wife may apply for joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term “member” as used in these bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;

- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or board member; and
- (h) The signature of either separately or both jointly on any document submitted to the Cooperative or its board of trustees or any committee shall constitute one signature, except as otherwise required by law.

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 to comply with the articles of incorporation, bylaws and rules and regulations adopted by the board. The records of the Cooperative 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. The records of the Cooperative shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 5. Membership Fees. The membership fee shall be five dollars (\$5.00).

SECTION 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in the member's application for membership, and shall pay for such at rates which shall from time to time be fixed by the board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

SECTION 7. Termination of Membership.

- (a) Any member may withdraw from membership in the Cooperative by: (i) paying all indebtedness of such member to the Cooperative; (ii) requesting a discontinuance of all service of electric energy to all premises served through the member's membership; and (iii) notifying the Cooperative of the member's intent to withdraw.
- (b) The board may, by the affirmative vote of not less than two-thirds of all the members of the board, expel any member who fails to comply with any of the provisions of the articles of incorporation, bylaws or the reasonable rules or regulations adopted by the board, but only if such member shall have been given written notice by the Cooperative that

such failure makes the member liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by a majority vote of the board or by a majority vote of the members at any annual or special meeting. The membership of a member who for a period of six months after service is available to the member has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative may be canceled by resolution of the board.

- (c) Upon the withdrawal, death, cessation of existence, expulsion of a member, or cancellation of a membership, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or the member's estate from any debts due the Cooperative.
- (d) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by the member, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to 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 ten years next preceding the date of the filing of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence, unless otherwise provided by law.

SECTION 2. Non-Liability for Debts of the Cooperative. All property of the members shall be exempt from execution of other liability for the debts of the Cooperative and no member shall be 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 at such time and at such place in either the County of Baldwin or Monroe, State of Alabama, as shall be chosen by the board of trustees and designated in the notice of the meeting 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. The record date for the annual meeting of the members shall be determined by the board of trustees. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meeting. Special meetings of the members may be called by resolution of the board of trustees, or upon written request signed by any three trustees, by the President, or by ten percentum or more of the members, pursuant to procedures established elsewhere in these bylaws, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The record date for a special meeting of the members shall be determined by the board of trustees. Special meetings of the members may be held at any place within either the County of Baldwin or Monroe, State of Alabama, as is specified in the notice of the special meeting.

SECTION 3. Members of Record. Members of record are those individuals and entities who are members of the Cooperative on the record date for a members' meeting.

SECTION 4. Notice of Members' Meetings. Only members of record shall be entitled to notice. 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 requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than nineteen days nor more than forty 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 persons calling the meeting, to each member of record. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member of record 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 which may be taken by the members at any such meeting.

SECTION 5. Quorum. Business may not be transacted by the members unless a quorum is determined. For the purposes of a vote where mail balloting is being utilized, a quorum is constituted where at least three percentum (3%) of all members of record either vote in person or cast a vote by mail; for all other business, a quorum is constituted where at least three percentum (3%) of all members of record are registered at the meeting. The minutes of each meeting shall contain the teller's report.

SECTION 6. Voting. Only members of record shall be entitled to vote on matters submitted to a vote of the members. Each member of record shall be entitled to only one vote upon each matter submitted to a vote of the members. Any member of record may vote in person or by mail on all matters requiring a vote of the membership, except for (i) matters involving the disposition of Cooperative property pursuant to Article VIII hereof, which requires that members vote in person, and (ii) matters which, by resolution, the Board determines shall be voted on by mail ballot only. The Secretary shall be responsible for the enclosure with the notice of each meeting (1) an exact copy of any motion or resolution to be acted upon by the members, (2) a ballot with instructions for indicating on the ballot the member's vote on the motion or resolution, and (3) an envelope addressed to the Secretary for returning the ballot. The failure of any member of record to receive a copy of any motion or ballot shall not invalidate any action which may be taken by the members. Any member voting by

mail shall express that member's vote on the ballot according to the instructions and mail the ballot in the envelope provided. Each ballot received by mail on or before the date set by the board of trustees as the deadline for that vote shall be counted. In case of a joint membership, the first ballot received from either of them shall constitute one joint vote. A member of record present at a meeting in person may vote on matters presented to the members for a vote only if that member has not already voted on that matter by mail ballot. The election of trustees shall be decided by a vote of a majority of the members voting thereon, except that when no candidate receives a majority of the votes cast, the election shall be decided by a plurality of the members voting. All other questions shall be decided by a vote of a majority of the members voting except as otherwise provided by law, the articles of incorporation, or these bylaws.

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 essentially as follows except as otherwise determined by the members at such meeting:

1. Report on the number of members of record present in person and, if applicable, voting by mail on any items of business, in order to determine the existence of a quorum for the purpose of conducting the items of business before the meeting.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Presentation and consideration of reports of officers, trustees and committees.
4. Election of board members.
5. Unfinished business.
6. New business.
7. Adjournment.

ARTICLE IV TRUSTEES

SECTION 1. General Power. The business and affairs of the Cooperative shall be managed by a board of seven trustees which shall exercise all the powers of the Cooperative except such as are by law or by the articles of conversion of the Cooperative or by these bylaws conferred upon or reserved to the members. The territories served or to be served by the Cooperative shall be divided into seven districts. Each district shall be represented by one trustee (a) who must be a member; (b) who is a bona fide resident of the district which the trustee represents; and (c) who receives service from the Cooperative at the member's bona fide residence, which must be located within the district which the trustee represents. As used in these bylaws, the term "board" shall refer to the board of trustees. The seven districts shall be that part of the following described territory which is now served, or which shall in the future be served, by the Cooperative:

DISTRICT ONE - All of the area served by the Cooperative in Monroe County and Baldwin County, Alabama, lying North of the dividing line of Township 2 South and Township 3 South of Baldwin County, Alabama.

DISTRICT TWO – All of the area served by the Cooperative in Baldwin County, Alabama lying within the area contained by a line beginning at the intersection of the North line of Section 6, Township 5 South, Range 7 East, with the Alabama/Florida State Line, a Point of Beginning; thence running West to the intersection of the North line of Section 6, Township 5 South, Range 2 East, with Mobile Bay; thence South along the shore of Mobile Bay to the intersection of the North line of Township 6 South; thence East to intersection on the North line of Section 1, Township 6 South, Range 6 East and the Alabama/Florida State Line; thence running Northwardly along the Alabama/Florida State Line to the Point of Beginning.

DISTRICT THREE – All of the area served by the Cooperative in Baldwin County, Alabama lying within the area contained by a line beginning at the intersection of the North line of Section 1, Township 6 South, Range 6 East with the Alabama/Florida State Line, a Point of Beginning; thence running West to the intersection of the North line of Township 6 South, with Mobile Bay; thence South along the shore of Mobile Bay to the intersection of the North line of Section 30, Township 7 South, Range 2 East; thence East to the Northwest corner of Section 28, Township 7 South, Range 4 East; thence North to the Northwest corner of Section 9, Township 7 South, Range 4 East; thence East to the intersection of the North line of Section 12, Township 7 South, Range 6 East and the Alabama/Florida State Line; thence running Northwardly along the Alabama/Florida State Line to the Point of Beginning.

DISTRICT FOUR - All of the area served by the Cooperative in Baldwin County, Alabama lying South of a line beginning at the intersection of the Northwest corner of Section 16, Township 8 South, Range 4 East, a Point of Beginning; thence running East to the Alabama/Florida State Line; thence running Southwardly along the Alabama/Florida State Line to the Gulf of Mexico; thence running Westwardly along the Gulf of Mexico to the West section line of Section 13, Township 9 South, Range 4 East; thence run North to the Northeast corner of Section 23, Township 8 South, Range 4 East; thence run West to the Southwest corner of Section 16, Township 8 South, Range 4 East; thence run North to the Point of Beginning.

DISTRICT FIVE – All of the area served by the Cooperative in Baldwin County, Alabama lying within the area contained by a line beginning at the North section line of Section 30, Township 7 South, Range 2 East at its intersection with Mobile Bay, a Point of Beginning; thence run Southerly along the Mobile Bay Shoreline to the center of the Bon Secour River at its entrance into Mobile Bay; and thence follow the center of the main body of the Bon Secour River Northeasterly to its intersection with the westerly extension of the Northern boundary of Section 19, Township 8 South, Range 4 East; and thence East to the Southwest corner of Section 16, Township 8 South, Range 4 East; thence run North to the Northwest corner of Section 16, Township 8 South, Range 4 East; thence run East to the Alabama/Florida State Line; and thence Northerly along the Alabama/Florida State Line to its intersection with the North line of Section 12, Township 7 South, Range 6 East; thence West to the Northwest corner of Section 9, Township 7 South, Range 4 East; thence South to the Northwest corner of Section 28, Township 7 South, Range 4 East; thence West to the Point of Beginning.

DISTRICT SIX -All of the area served by the Cooperative in Baldwin County, Alabama, lying within the area contained by a line beginning at the intersection of the North line of Section 6, Township 5 South, Range 7 East and the Alabama-Florida State Line, a Point of Beginning; thence run Northerly along the Alabama-Florida State Line to the intersection of Section 6, Township 3 South, Range 5 East; thence run West to the Western boundary of Baldwin County, Alabama and thence run Southerly along the Baldwin County, Alabama Line to the Northern line of Section 6, Township 5 South, Range 2 East at its intersection with Mobile Bay, and thence run East to the Alabama-Florida State Line to the Point of Beginning.

DISTRICT SEVEN – All of the area served by the Cooperative in Baldwin County, Alabama lying within the area contained by a line beginning at the Northeast corner of Section 23, Township 8 South, Range 4 East, the Point of Beginning; and thence running West to the center of the main body of Bon Secour River where it crosses the westerly extension of the Northern boundary of Section 19, Township 8 South, Range 4 East; thence run Southwesterly along the center of the main body of the Bon Secour River to a point at its entrance at Mobile Bay; and thence run Southwesterly to the Westernmost part of land on the Fort Morgan Peninsula; thence run Easterly along the Gulf of Mexico to the West section line of Section 13, Township 9 South, Range 4 East; thence run North to the Point of Beginning.

The board of trustees at any regular or special meeting thereof held not less than thirty days prior to any annual meeting of the members or special meeting of the members held in lieu of such annual meeting, may, by resolution, alter the geographical boundaries of the seven districts. Notwithstanding any provision of this section, a violation of any districting provisions shall not invalidate or in any way effect or impair the validity of any corporate action.

SECTION 2. Qualifications and Tenure. The trustees shall be divided into three classes. The trustees from Districts 2, 4, and 6 shall be designated as Class No. 1; the trustees from Districts 1 and 3 shall be designated as Class No. 2; and the trustees from Districts 5 and 7 shall be designated as Class No. 3. All elections of trustees from any class shall be for a term of three years.

All trustees once elected shall hold office for the term for which they are elected or until their successors have been duly elected and qualified. If the election of trustees shall not be held on the day designated herein for the annual meeting or at any adjournment thereof, the board of trustees shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be reasonable. No person shall be eligible to become or remain a trustee who:

1. is not, and has not been, for an uninterrupted period of twelve months and one day immediately prior to the meeting of the nominating committee, a member of record of the Cooperative and bona fide resident receiving service from the Cooperative at the member's bona fide residence in the district the trustee represents and in the area served by the Cooperative; or
2. is in any way employed by or is a director, trustee, or officer of a competing

enterprise or a business selling electric energy or supplies to the Cooperative; notwithstanding the foregoing, however, membership in a non-profit entity or service as a director, trustee or officer of a business entity formed under cooperative principles of which the Cooperative is a member, shall not cause a person to become or remain ineligible to serve as a trustee; or

3. holds an elective public office in connection with which a salary or compensation in excess of one hundred dollars (\$100) per annum is paid; or
4. will not agree to attend meetings of the board on a regular basis and to attend a reasonable number of essential seminars, workshops, state, regional and national meetings; or who, after election, does not make a good faith effort to perform his or her agreement; or
5. does not demonstrate by his or her actions an understanding of and belief in cooperative principles and way of doing business, and continue to support the Cooperative; or
6. has been convicted of a felony; or
7. has been a paid employee of the Cooperative at any time within the five years preceding the commencement of the trustee's term; or
8. lacks a high school diploma or G.E.D. equivalency certificate.

For the purposes of these bylaws, a "bona fide resident" shall be a member of the Cooperative who (a) is, in the records of the County Board of Registrars for the county in which the member's bona fide residence is located, qualified and registered to vote, listing the residence claimed as the member's bona fide residence; (b) unless exempt from filing, has filed a Resident Alabama income tax return or an extension for the year immediately preceding the year in which the trustee election occurs; (c) possesses a valid Alabama driver's license or, in the absence of such license, other Alabama government issued photo identification, listing the member's bona fide residence as their address; (d) claims a homestead exemption for ad valorem tax purposes on their bona fide residence, unless the member is not the owner of the residence or is otherwise exempt from the payment of ad valorem taxes; and (e) has registered the member's primary motor vehicle in the State of Alabama at the address claimed as the member's bona fide residence; provided, however, this requirement shall not apply to a member who does not own a motor vehicle.

For the purposes of these bylaws, a "bona fide residence" shall be the member's fixed and principal dwelling place which must be served by the Cooperative and which, in the case of a trustee or a member seeking the position of trustee, must be located within the district which the trustee represents or seeks to represent.

Upon establishment of the fact by vote of a majority of the members of the board that a trustee is holding office in violation of any of the foregoing provisions it is immediately incumbent upon the board of trustees, and they shall have the authority, to remove such trustee from office. Nothing contained in this section shall in any manner whatsoever affect the validity of any action taken in any meeting of the board of trustees.

SECTION 3. Nominations. It shall be the duty of the President of the board of trustees to appoint, not less than 84 days nor more than 105 days, before the date of the meeting of the members at which trustees are to be elected, a committee of nomination, consisting of two persons who are members, but are not trustees or close relatives of trustees, from each district for which trustees are to be selected plus one person who is a member from the membership at large but who is not a resident of the district from which the trustees are to be selected. The committee for nominations shall meet at the Cooperative's headquarters not more than 84 days and not less than 77 days prior to the meeting of the members. The date and time of the meeting of the committee shall be determined by the President of the board of trustees. Members who seek nomination to the board shall submit to the Cooperative an application for board nomination (in such form as the Cooperative shall require) together with such other materials as are necessary to substantiate the member's status as a bona fide resident of the district which the member seeks to represent in accordance with Article IV, Section 2 of these bylaws. Such date and time of the meeting of the committee shall be published at least seven days prior to the meeting of the committee. Such publication shall be made by publishing such notice in the *Alabama Living* magazine or, in the discretion of the board, by delivery of such notice to the members by United States mail, by electronic mail, by posting such notice on the Cooperative's website, or by placing a legal notice in a newspaper of general circulation published in Baldwin County and Monroe County, Alabama. The committee shall elect its chairperson and review prospective nominees. The committee then may nominate at least one trustee from each district of the Cooperative from which a trustee must be elected to that office as the same then exists. All nominees selected by the committee must satisfy the eligibility requirements set forth in these bylaws for trustees. Nominations are at the discretion of the committee, and the committee is not required to nominate all eligible prospective nominees. The nominating committee shall have the authority to suspend and reconvene the nominating committee meeting in order to evaluate the qualifications of those members seeking nomination to the board.

Any prospective nominee satisfying the trustee eligibility requirements set forth in these bylaws who was considered by the nominating committee and not nominated may submit to the Secretary, not more than 14 days after the meeting of the nominating committee, a written petition for nomination signed by not less than 25 members of the Cooperative as of the record date for the annual meeting of the members. The petition must be in a form designated by the board of trustees and each member's signature must be dated and accompanied by the member's address. The petition may contain only one signature from any joint membership. It shall be the duty of the board of trustees or its designee to verify the accuracy and authenticity of the signatures affixed to the petition. If the board of trustees or its designee determines that any such prospective nominee satisfies the eligibility requirements and that the submitted petition is properly signed and dated by the required number of members and that each signature is genuine and belongs to a member in good standing as of the record date, the individual submitting such petition shall become a nominee for trustee.

The Secretary shall publish a list of all nominees by trustee district and shall specify which nominees were nominated by the committee and which by petition, if any. Such

publication shall be made in the last publication of the *Alabama Living* magazine prior to the annual meeting or, in the discretion of the board, by United States mail, by electronic mail, by posting such list on the Cooperative's website, or by placing a legal notice in a newspaper of general circulation published in Baldwin County and Monroe County, Alabama. If the board should elect to provide notice of the list of nominees by a method other than by publication in the *Alabama Living* magazine, such notice shall be made not later than 14 days prior to the date of the annual meeting. The ballots for voting on trustees shall likewise specify which nominees were nominated by the committee and which by petition, if any.

Notwithstanding anything contained in this section, failure to comply with any of the provisions of this section shall not affect in any way whatsoever the validity of the election of trustees.

SECTION 4. Vacancies. Except for the provisions of these bylaws with respect to the filling of vacancies caused by the removal of board members by the members, a vacancy occurring in the board shall be filled by the affirmative vote of a majority of the remaining board members for the unexpired portion of the term.

SECTION 5. Removal of board members by members. Any member may bring charges against a board member and, by filing with the Secretary such charges in writing not to exceed one single-spaced 8 ½ inch by 11 inch type written page in a type size no smaller than 12 point, together with a petition signed by at least ten percentum of the members, may request the removal of such board member by reason thereof. Each signature on such petition shall contain, in addition to the member's signature, a printed version of the member's name, the date on which the petition was signed by the member, and the service address of such member. Only those signatures whose names match that of a member of the Cooperative at the service address shown on the petition, and which are executed by the member not more than six (6) months prior to the delivery of the petition to the Secretary, shall be counted toward the ten percent (10%) threshold required for the call of a special meeting. Each member's signature will count once toward the ten percent (10%) threshold regardless of the number of accounts maintained in the member's name. Only one signature from a joint account will be counted toward the ten percent (10%) threshold. The Secretary shall then deliver a copy of the charges as submitted to such board member no later than three (3) calendar days after the filing of the charges and petition. The charges may be delivered to such board member by the Secretary either in person, upon written acknowledgment of receipt by the board member subject to removal, or by certified mail, addressed to such board member at his or her home address. If such board member fails to acknowledge receipt in person or fails to accept certified mail delivery, then the Secretary shall mail a copy of the charges to such board member at the board member's home address via First Class United States Mail, and notice of the charges shall be deemed sufficient upon the mailing of the statement of charges. Such board member subject to removal shall have an opportunity to respond in writing not to exceed one single-spaced 8 ½ inch by 11 inch type written page in a type size no smaller than 12 point, which response shall be delivered to the Secretary either in person or by certified mail addressed to the Secretary at his or her home address within

three (3) calendar days after receipt of the statement of charges by the board member as provided in these bylaws. For board member responses delivered by certified mail, the date of mailing shall serve as the date of the board member's response. The Cooperative shall then deliver both the statement of charges and the board member's response to the members of the Cooperative along with the ballot submitted to the members in accordance with Article III, Section 6 of these bylaws. Failure by a board member subject to removal to provide a written response to the Secretary within three (3) calendar days of receipt by the subject board member shall constitute a waiver of the right to have a response included with the ballot. Additionally, the board member shall have an opportunity at the meeting of the members at which the charges are to be considered to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against such board member shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon by the members at a meeting, voting either in person or by mail, in accordance with the provisions of Article III, Section 6 of these bylaws. Such meeting shall be held, within a reasonable time, on a date established by the board of trustees. If a majority of members voting, either in person or by mail, vote to remove a board member against whom charges have been brought, then any vacancy created by such removal shall be filled by vote of the members, voting in person or by mail, and nominations to fill any such vacancy shall be conducted in accordance with the procedures established in Article IV, Section 3 of these bylaws. If a majority of the members voting in person and by mail vote to remove a board member from office, then the meeting at which the removal vote is conducted shall be suspended and shall be reconvened at a future date which is not less than 105 days from the date of the meeting at which the vacancy was created. To ensure that the Cooperative shall at all times maintain a quorum of board members necessary to conduct the business of the Cooperative, no petition calling for a special meeting shall seek removal of more than three board members at any one meeting of the members. If more than three board members are subject to removal during the same time period as a result of multiple petitions of the members, then multiple special meetings of the members shall be conducted to vote on the removal and/or election of replacement board members in accordance with this bylaw; provided however, that no special meeting shall be conducted to remove a board member during any time period when such removal would result in the board of trustees being composed of less than the number of members necessary to constitute a quorum to conduct business.

SECTION 6. Compensation. Board members shall not receive any salary for their services as such, except that members of the board may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, training programs or performing committee assignments when authorized by the board. If authorized by the board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of

the members or the service by the board member or his or her close relative shall have been certified by the board as an emergency measure.

ARTICLE V MEETINGS OF BOARD

SECTION 1. Regular Meetings. A regular meeting of the board shall be held without notice, at the office of said Cooperative, immediately after the annual meeting of the members. A regular meeting of the board shall also be held monthly at such time and place within one of the counties served by the Cooperative as designated by the board. 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 may be called by the President or by any three board members, 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 board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Trustees' Meetings. Written notice of the time, place and purpose of any special meeting of the board of trustees shall be delivered not less than two 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, to each trustee. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the trustee at the trustee's address as it appears on the records of the Cooperative, with postage thereon prepaid.

SECTION 4. Quorum. A majority of the board shall constitute a quorum, provided, that if less than such majority of the board is present at said meeting, a majority of the board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent board members of the time and place of such adjourned meeting. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the board, except as otherwise provided in these bylaws.

ARTICLE VI OFFICERS

SECTION 1. Number. The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer, and such other officers as may be determined by the board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The officers shall be elected annually by and from the board at the meeting of the board 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 may be. Each officer shall hold office until the first meeting of the board following the next succeeding annual meeting of the members or until the officer's successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the board may be removed by the board whenever in its judgment the best interest of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten percentum of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the board 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 the officer shall have the same opportunity. In the event the board does not remove such officer, the question of the officer's removal shall be considered and voted upon by the members.

SECTION 4. President. The President:

- (a) shall be the principal officer of the Cooperative and, unless otherwise determined by the members or the board, shall preside at all meetings of the members and the board;
- (b) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board 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) shall in general perform all duties incident to the office of President and such other duties as may be prescribed by the board from time to time.

SECTION 5. Vice-President. In the absence of the President or in the event of the President's 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 the Vice-President by the board.

SECTION 6. Secretary. The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the

Cooperative and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;

- (d) keeping a record of the names and correct mailing addresses of all members;
- (e) keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- (f) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the board.

SECTION 7. Treasurer. The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies 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) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the board.

SECTION 8. Chief Executive Officer. The board may appoint a Chief Executive Officer who may be, but who shall not be required to be, a member of the Cooperative. The Chief Executive Officer shall perform such duties and shall exercise such authority as the board may from time to time vest in the Chief Executive Officer.

SECTION 9. Bonds of Officers. The Treasurer and any other officer of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the board shall determine. The board in its discretion may also require any other officer or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 10. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed by the board subject to the provisions of these bylaws with respect to compensation for a board member and close relatives of a board member.

SECTION 11. 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
NON-PROFIT OPERATION

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 patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating 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 patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. The Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron of the amount of operating capital so credited to the patron's account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. 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 patrons' accounts may be retired in full or in part. The board of trustees shall determine the method, basis, priority, and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital. Provided, however, that the board of trustees shall have the power to adopt rules providing for the separate retirement of that portion ("Power Supply or any non-profit cooperative organization's portion") of capital credited to the accounts of patrons

which corresponds to capital credited to the account of the Cooperative by any non-profit cooperative organization. Such rules shall:

- A. Establish a method for determining any non-profit cooperative organization's portion of capital credited to each patron for each applicable fiscal year;
- B. Provide for separate identification on the Cooperative's books of any non-profit cooperative organization's portion of capital credited to the Cooperative's patrons;
- C. Provide for appropriate notifications to patrons with respect to any non-profit cooperative organization's portion of capital credited to their accounts; and
- D. Preclude a general retirement of any non-profit cooperative organization's portion of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same or of any capital credited to patrons for any prior fiscal year.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these bylaws, the board at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of the patron's estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the board acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Notwithstanding any other provision of these bylaws, the Board, prior to allocating, paying, or retiring any amount of capital, may first deduct from such capital any outstanding debts, as defined by the Board, owed by a patron to the Cooperative.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE VIII
DISPOSITION OF PROPERTY

The Cooperative may not sell or lease all or any substantial portion of its property, unless sale or lease is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all the members of the Cooperative, and unless the notice of such sale or lease shall have been contained in the notice of the meeting. The Cooperative may mortgage, by mortgage or deed of trust, pledge or otherwise encumber, to secure any indebtedness of the Cooperative, all or any substantial portion of its property, assets and the revenues and income therefrom, from time to time, when authorized by the affirmative vote of a majority of its members at a duly held meeting after proper notice thereof. Provided, however, that the board of trustees of the Cooperative, without authorization of 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 wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board of trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America, 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 have inscribed thereon the name of the Cooperative and the words "Corporate Seal (Alabama)".

ARTICLE X
FINANCIAL TRANSACTIONS

SECTION 1. Contracts. Except as otherwise provided in these bylaws, the board 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 and/or countersigned 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.

SECTION 3. Deposits. All funds except petty cash of the Cooperative shall be

deposited from time to time to the credit of the Cooperative in such bank or banks as the board 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 the same year.

SECTION 5. Budget. A budget will be prepared prior to the beginning of each fiscal year. The President shall be responsible for the budget preparation and proper implementation.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided, however, that the Cooperative may upon the authorization of the board, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification, or with the approval of the Administrator of the Rural Utilities Service of the United States of America, of any other corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice. Any member or board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except in case a member or board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. Policies, Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system which, among other things, and 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. The board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

SECTION 5. Area Coverage. The board shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who

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

SECTION 6. Rules of Order. The edition of Roberts Rules of Order adopted by the board of trustees pursuant to board policy shall govern all issues at all meetings of members and trustees of the Cooperative.

SECTION 7. Bylaw Committee.

1. The Cooperative shall have a standing bylaw committee composed of four members of the Cooperative from each trustee district who are residents of and receiving service in the district they represent.
2. The President shall annually appoint the members of the committee from each district from a list of nominees submitted by the trustee from such district.
3. Appointments shall be made as soon as practicable after the annual meeting of members.
4. The committee shall meet annually on a date selected by the President which shall be approximately 120 days prior to the annual meeting of members, and at such other times as the committee shall select.
5. Notice of all meetings of the committee shall be published by the Cooperative in the *Alabama Living* magazine at least seven days prior to the date of the meeting.
6. The committee shall hear all recommended bylaw changes submitted to it in writing by any member and may certify such recommendation to the Secretary of the Cooperative.

SECTION 8. Approval of Minutes. The Board shall review, correct if necessary, and approve the minutes of every member meeting. The Board shall submit the approved minutes to the Secretary of the Cooperative.

ARTICLE XII AMENDMENTS

These bylaws may be altered, amended or repealed only in the following manner:

1. Changes in the bylaws must be approved by the members at any annual or special meeting of the members, in accordance with the voting procedures established in Article III, Section 6 of these bylaws.
2. The notice of the annual or special meeting must contain an exact copy of the section or sections as proposed for change.
3. The Secretary of the Cooperative shall cause to be included in the notice of any annual or special meeting of members only such proposed bylaws or changes thereto as shall have been certified to the Secretary by the bylaw committee or by the board of trustees of the Cooperative.

2012 Baldwin EMC Facts

Members Served:.....	50,932
Meters Served:.....	68,022
Miles of Line:.....	4,342

History

REA (Rural Electrification Administration) Created.....	May 11, 1935
Baldwin County Electric Membership Corporation Incorporated.....	April 22, 1937
First Power Lines Energized.....	May 10, 1938

STATEMENT OF NONDISCRIMINATION

Baldwin County Electric Membership Corporation 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, sex, religion, age, or disability 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 E.A. "Bucky" Jakins, Jr., Chief Executive Officer. 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 Administrator, Rural Utilities Service, Stop 1510, 1400 Independence Avenue, SW, Washington, DC, 20250-1510; or the Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410; or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer. Complaints must be filed within 180 days after the alleged discrimination. Confidentiality will be maintained to the extent possible.