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# TENNESSEE VALLEY ELECTRIC COOPERATIVE

## SAVANNAH, TENNESSEE

### By-Laws

#### ARTICLE I MEMBERS

##### SECTION 1. QUALIFICATIONS AND OBLIGATIONS:

Any person, firm, corporation or body politic may become a member of the Cooperative by:

- (a) paying the membership fee hereinafter specified;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified; and
- (c) agreeing to comply with and be bound by the Tennessee Electric Cooperative Act of 1939, by the Articles of Incorporation of the Cooperative and by these by-laws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors; provided, however, that no person, firm, corporation or body politic shall become a member until he or it receives electric service from the Cooperative.
- (d) voluntarily receive an annual subscription to the statewide publication and to pay an annual subscription price through dues, assessments, fees, deposits, contributions, prices, rates and other amounts charged or assessed by the Cooperative for Cooperative services provided to the applicant or provided to or for a location occupied by the applicant. Only one subscription will be provided per member regardless of the number of memberships held by the member.

A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section, provided the husband and wife comply jointly with the provisions of the above subdivisions (a), (b) (c) and (d).

**SECTION 2. MEMBERSHIP FEE:** The membership fee shall be \$5.00. One membership must be held in connection with each separate or non-contiguous property for which service is taken and for each different class of service desired; provided, however, that commercial and residential service may be obtained upon one membership if the commercial activity is carried on in the residence of the owner.

**SECTION 3. SERVICE TO NON-MEMBERS:** The Cooperative shall render service to its members only; provided, however, that service may be rendered to governmental agencies and political subdivisions, and to other persons not in excess of ten per centum ( 10%) of the number of its members; and provide further, that should the Cooperative acquire any electric facilities dedicated or devoted to the public use, it may, for the purpose of continuing service and avoiding hardship and to the extent which together with all other persons served by the Cooperative on a non-member basis shall not exceed forty per centum (40%) of the total number of persons served by the Cooperative, continue to serve the persons served directly from such facilities at the time of such

acquisition without requiring that such persons become members; and provided, further, that such non-members shall have the right to become members upon non-discriminatory terms.

**SECTION 4. PURCHASE OF ELECTRIC ENERGY:** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy used on the premises referred to in the application of such member for membership, and shall pay therefore monthly at such rates as shall be appropriately fixed by the Board of Directors; provided, however, that the electric energy which the Cooperative shall furnish to any member may be limited to such an amount as the Board of Directors shall from time to time determine and that each member shall pay to the Cooperative such minimum amount per month as shall be fixed by the Board of Directors from time to time for each class of service, regardless of the amount of electric energy consumed; and provided further, that in the event any applicant for membership desiring to purchase electric energy for other than residential use shall have, previous to his or its application, customarily generated electricity for his or its own purposes, such applicant may be admitted into membership of the Cooperative without the necessity of agreeing to purchase all electricity from the Cooperative and upon such terms and conditions as the Board of Directors in its discretion may prescribe. Each member shall also pay all obligations which may from time to time become due and payable by such member to the Cooperative as and when the same shall become due and payable.

**SECTION 5. CONTRIBUTIONS TO CAPITAL:** All amounts received and receivable from the furnishing of electric energy to members and non-members in excess of operating costs and expenses properly chargeable against the furnishing of electric energy are, at the moment of receipt by the Cooperative, received with the understanding that such amounts are furnished by the members and non-members as capital. Capital contributed by members and non-members shall be used only for capital purposes including, without limitation, new electric system construction, the retirement of electric system indebtedness at or prior to maturity, and working capital adequate for all purposes including facilitation of general rate reductions. The Cooperative shall maintain such books and records as will enable it at any time to compute, upon reasonable notice, the amount of capital contributed during any given period by each of its members and non-members.

**SECTION 6. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE:** The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

**SECTION 7. EXPULSION OF MEMBERS:** The Board of Directors of the Cooperative may, by the affirmative vote of not less than two-thirds (2/3) of the members thereof, expel any member who shall have violated or refused to comply with any of the provisions of the Tennessee Electric Cooperative Act of 1939, or of the Articles of Incorporation of The Cooperative or these by-laws or any rules and regulations adopted from time to time by the Board of Directors. Any member so expelled may be reinstated as a member by a vote of the members, at any annual or special meeting of the members. The action of the members with respect to any such reinstatement shall be final.

**SECTION 8. TRANSFER, TERMINATION, AND WITHDRAWAL OF MEMBERSHIPS:**

(a) A membership may be transferred by a member to himself or herself and his or her spouse, as the case maybe, jointly upon the written request of such member and compliance by such husband and wife jointly with the provisions with respect to transfers of membership set forth in paragraph (a) of this section. When a membership is held jointly by a husband and wife, upon the death of either such membership shall be deemed to be held solely by the survivor with the same effect as though such membership had been originally issued solely to him or her, as the case may be, and the joint membership certificate may be surrendered by the survivor and upon the recording of such death on the books of the Cooperative the certificate may be reissued to and in the name of such survivor; provided, however, that the estate of the deceased shall not be released from any membership debts or liabilities to the Cooperative.

(b) Upon the death, cessation of existence, or expulsion of a member, the membership of such member shall there-upon terminate, and the certificate of membership of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall operate a release of all right, title and interest of the member in the property and assets of the Cooperative; provided, however, that such termination of membership shall not release the member from the debts or liabilities of such member to the Cooperative.

(c) Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Cooperative and upon compliance with such terms and conditions as the Board of Directors may prescribe.

**SECTION 9. CHANGE IN PREMISES TO BE SERVED:** Any member who moves from one location to another shall be entitled to receive service as before at his new location if (a) the member notifies the Cooperative of his change in location, describing the new premises and the type and approximate amount of service desired therefore, (b) the new location is within the area of service of the Cooperative, as determined by the Board of Directors, and (c) may charge such member a reasonable connection charge, the amount of which shall be determined by the Board.

**SECTION 10. REMOVAL FROM SERVICE AREA OF COOPERATIVE:**

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

(b) In case the Cooperative disposes of facilities which are necessary for the service of any members thereof, such members shall be notified of such disposition of at least two (2) months in advance and shall be entitled to have their respective memberships repurchased by the Cooperative.

(c) Repurchased memberships shall be held by the Cooperative as treasury memberships and the Board of Directors may dispose of such treasury memberships upon non-discriminatory terms.

**SECTION 11. SECURITY DEPOSITS:** When the membership fee (or such meter deposit may be required with respect to service to non-members) does not in the judgment of the Board of Directors constitute sufficient deposit for security for the payment of bills for electric energy, the Board of Directors may require such consumer to post a deposit with the Cooperative in an amount deemed sufficient to secure such payment.

**SECTION 12. WIRING:** Service to any person may in the discretion of the Board of Directors be conditioned upon such person furnishing to the Cooperative the certificate of a reputable inspector stating that the wiring of the premises served or to be served complies with all local regulations and is in accordance with the latest rules and regulations of the National Electrical Code of the National Board of Fire Underwriters for the installing of electric wire, apparatus, and appliances, and is in accordance with the wiring specifications prescribed by the Rural Utilities Service. The requirement or waiver of such a certificate, however, or the supplying of service on the basis thereof, shall not subject the Cooperative to liability to any member or other person for any damages or injuries sustained by reason of defects existing in the wiring of such premises.

**SECTION 13. EASEMENTS FOR COOPERATIVE'S LINES:** Members shall, without charge to the Cooperative, grant to it easements over land owned by them for the transmission and distribution lines of the Cooperative, and the Board of Directors may require from applicants for membership the return of any payments previously made to such applicants for easements.

## **ARTICLE II MEETING OF MEMBERS**

**SECTION 1. ANNUAL MEETING:** The annual meeting of the members shall be held on such day in September as may be fixed by the Board of Directors and designated in the notice of the meeting, and , at such place in Savannah in the County of Hardin, State of Tennessee, as shall be designated in the notice of the meeting for the purpose of electing directors, passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting.

If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be. 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 the Board of Directors, by any three (3) directors, by the President, or upon a written request signed by at least ten per centum (10%) 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 Hardin or Wayne, in the State of Tennessee, which may be 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, the purpose or purposes for which the meeting is called, and describe any matter to be considered or voted or acted upon at the meeting, shall be delivered not less than five (5) days nor more than twenty-five (25) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting, to each member. If

mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both joint members. 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 4. QUORUM:** A quorum for the transaction of business at meetings of the members shall, except as provided in the following sentence, be the lesser of two percent (2%) of all members or one hundred (100) members; and, once such a quorum is established, the meeting may proceed to transact all business that may lawfully come before it so long as at least the lesser of one percent (1%) of all members or fifty-one (51) members remain present. In the case of a meeting of the members at which the dissolution of the Cooperative or the sale or lease-sale of all or any substantial portion of its assets and property devoted to and used or useful in furnishing electric service is scheduled to be considered and acted upon pursuant, the quorum requirement shall be and shall remain through the meeting ten percent (10%) of all members. If, at any member meeting, less than the required quorum is present to enable the meeting to begin transacting business or if the quorum requirement for it to continue ceases to exist, a majority of those present may adjourn the meeting from time to time without further notice; PROVIDED, if a majority of those present in person so resolve, the Secretary shall notify any absent members of the time, day and place of such adjourned meeting by delivering notice thereof as Provided in Section 3.

**SECTION 5. VOTING:** Each member shall be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members, regardless of the number of memberships held by him. At all meetings of the members at which a quorum is present all questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation of the Cooperative, or these by-laws. If a husband and wife held a joint membership they shall jointly be entitled to one (1) vote and no more upon each matter submitted to a vote at a meeting of the members.

**SECTION 6. ORDER OF BUSINESS:** Except as otherwise provided in these Bylaws, before or at an Annual, Regular, or Special Member Meeting, the Board shall determine the agenda, program, or order of business for the Member Meeting.

Except as otherwise provided by the Board before or at a Member Meeting, The President or an individual designated by the President: (1) shall preside at the Member Meeting; (2) may remove a person from the Member Meeting for unruly, disruptive, or similar behavior; and (3) may exercise power reasonably necessary for efficiently and effectively conducting the Member Meeting.

Except as otherwise provided by the Board before or at a Member Meeting, Members attending the Member Meeting may consider, vote, or act only upon a matter described in the notice of the Member Meeting. Members attending a Special Member Meeting may consider, vote, or act only upon a matter described in the notice of the Special Member Meeting.

## **ARTICLE III DIRECTORS**

**SECTION 1. GENERAL POWERS:** The business and affairs of the Cooperative shall be managed by a board of seven (7) directors which shall exercise all of the powers of the Cooperative except such as are by-laws or by the Articles of Incorporation of the Cooperative or these by-laws conferred upon or reserved to the members.

The territory served or to be served by the Cooperative shall be divided into six (6) districts, the boundaries of which shall be so fixed that each district shall contain approximately the same number of members. Each district shall be represented by one director, except electric district No. 2, which shall have two (2) directors who must be members receiving service from the Cooperative to their primary residence within the district which they represent. The six (6) districts shall be as follows:

- District 1: Inside Corporate City limits of City of Savannah, TN – Member
- District 2: 4-5 and 9 Civil Districts of Hardin County Outside Corporate City limits of Savannah, TN – 2 Members
- District 3: 1-2 and 3 Civil Districts of Hardin County – 1 Member
- District 4: Inside Corporate City limits of City of Waynesboro, TN – 1 Member
- District 5: All of Wayne County North of Highway 64, Outside Corporate City limits of Waynesboro, TN – 1 Member
- District 6: All of Wayne County South of Highway 64, Outside Corporate City limits of Waynesboro, TN – 1 Member

The Board of Directors, at any regular or special meeting thereof held not less than thirty (30) days prior to any annual meeting of the members or special meeting of the members held in lieu of such annual meetings, may, by resolution, alter the geographical boundaries of the six districts with the aim of arranging more equitable districting. Upon the submission of a petition signed by fifty (50) or more members of the Cooperative, the President of the Cooperative shall be required to call a special meeting of the Board to consider and take action upon rearranging of the geographical boundaries of the six districts to accomplish the purpose of this districting provision.

Notwithstanding any provisions of this section, a violation of such districting provisions of this section shall not invalidate or in any way affect or impair the validity of any corporate action.

**SECTION 2. QUALIFICATION AND TENURE:** The Board of seven Directors provided for in Section One of Article 3 of these By-laws shall hereafter, beginning with the Annual Meeting to be held in September, 1952, be elected and terms of each of the offices shall be as follows: At the Annual Meeting to be held in September, 1952, two Directors, one from district one and one from district three shall be elected for a term of two (2) years. At this same meeting, two Directors, one from District two and one from District five shall be elected for a term of three (3) years. Thereafter, at each Annual Meeting the members shall elect Directors for a term of three years each to fill the offices of the Directors then becoming vacant. Each Director now a member of the Board of Directors or hereafter elected shall hold their office for a term of which they are elected or until their successors shall have



been elected and shall have qualified, subject to the provisions of these By-laws with respect to the removal of Directors. No member shall be eligible to become or remain a Director or hold any position of trust in the Cooperative (a) who is in any way: employed by or financially interested in a competing enterprise or a business selling electrical 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, (b) who is the incumbent or candidate for an elective public office in connection with which a salary is paid, (c) who is an employee of the Cooperative or a former employee who has a vested interest in the Cooperative, or who has been an employee in the past five years, or receives any remuneration from the Cooperative, other than remuneration for services, rendered in serving as a member of the Board of Directors, (d) who is a close relative of an incumbent Director or any employee of the Cooperative. Close relative as used in these By-laws means a person who, by blood or in-law, including step, half and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal, (e) who is a convicted felon.

Notwithstanding any of the foregoing provisions of this section treating with close relative relationships, no incumbent Director shall lose eligibility to remain a Director or to be re-elected as a Director if, during his incumbency as a Director, he becomes a close relative of another Director or of a Cooperative employee because of a marriage to which he was not a party. Upon the establishment of the fact that any person being considered for, or already holding, a Directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be.

When a membership is held jointly by a husband and wife, either one, but not both, may be elected a Director, provided however, that neither one shall be eligible to become or remain a Director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth. Nothing in this section contained shall, or shall be construed to, effect in any manner whatsoever the validity or any action taken at any meeting of the Board of Directors.

**SECTION 3. NOMINATIONS:** It shall be the duty of the Board of Directors to appoint, not less than thirty (30) days nor more than sixty (60) days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of not less than five (5) and not more than eleven (11) members who shall be selected so as to give equitable representation on the committee to the geographical areas served or to be served by the Cooperative. No officer or member of the Board of Directors shall be appointed a member of such committee. The Committee shall prepare and post at the principal office of the Cooperative at least twenty (20) days before the meeting, a list of nominations for director.

Any fifteen (15) or more members may make and file with the Cooperative headquarters other nominations in writing over their signatures not less than forty-five (45) days prior to the meeting and the Secretary shall post the same at the same place where the list of nominations made by the committee is posted.

**SECTION 4. VACANCIES :** Subject to the provisions of these by-laws with respect to the removals of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining

directors, and directors elected shall serve until the next annual meeting of the members or until their successors shall have been elected and shall have been qualified.

**SECTION 5 . REMOVAL OF DIRECTORS AND OFFICERS :** Any member may bring charges against an officer or director by filing them in writing with the Secretary, together with a petition signed by ten per centum (10%) of the members, requesting the removal of the officer or director in question. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges against him shall have the same opportunity.

**SECTION 6. COMPENSATION:** Directors as such shall not receive any salary for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board of Directors. Except in emergencies no director shall receive compensation for serving the Cooperative in any other capacity.

**SECTION 7. RULES AND REGULATIONS:** The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Cooperative or these by- laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**SECTION 8 . ACCOUNTING SYSTEM AND REPORTS:** The accounts of the Cooperative shall be established and maintained in such form, subject to any contractual obligations of the Cooperative, as the Board of Directors may prescribe. All accounts of the Cooperative shall be examined by a committee of the Board of Directors which shall render reports to the Board of Directors at least four (4) times a year at regular meetings of the Board of Directors. The Board of Directors shall also within thirty (30) days 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. Such audit reports shall be submitted to the members at the following annual meeting.

**SECTION 9. CHANGE IN RATES:** Written notice shall be given to the Administration of the Rural Utilities Service of the United States of America and to such holder of such long-term indebtedness of the Cooperative not less than thirty (30) days prior to the date upon which any proposed change in rates charged by the Cooperative for electric energy becomes effective and, subject however to then existing contractual obligations of the Cooperative as expressed in mortgages or deeds of trust, such proposed change shall not become effective until approved by the holder or holders of not less than seventy- five per centum (75%) in principal amount of such long- term secured indebtedness.

#### **ARTICLE IV MEETINGS OF DIRECTORS**

**SECTION 1. REGULAR MEETINGS:** A regular meeting of the Board of Directors shall be held without notice other than this by-law, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly at such time and place in Savannah, Hardin County, Tennessee, or in Waynesboro, Wayne County, Tennessee, as the

Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

**SECTION 2. SPECIAL MEETINGS:** Special meetings of the Board of Directors may be called by the President or any three (3) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place (which shall be in Hardin County, Tennessee), for the holding of any special meeting of the Board of Directors called by them.

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

**SECTION 4. QUORUM:** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

**SECTION 5. MANNER OF ACTING:** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

## **ARTICLE V OFFICERS**

**SECTION 1. NUMBER:** The officers of the Cooperative shall consist of President, 1st and 2nd Vice-Presidents, Secretary-Treasurer, and such other officers as may from time to time be determined by Board of Directors.

**SECTION 2. ELECTION AND TERM OF OFFICE:** The officers shall be elected, by ballot, annually by and from the Board of Directors, at the first meeting of the Board of Directors held after each annual meeting of members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members, or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these by-laws with respect to the removal of officers.

**SECTION 3. REMOVAL:** An officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby.

**SECTION 4. VACANCIES:** Except as otherwise provided in these by-laws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

**SECTION 5. PRESIDENT:** Except as otherwise provided by the Board or these Bylaws, the President:

(1) shall preside, or designate another individual to preside, at all Board and Member Meetings;

(2) on the Cooperative's behalf, may sign a document properly authorized or approved by the Board or Members; and

(3) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board.

#### **SECTION 6. VICE-PRESIDENTS:**

Except as otherwise provided by the Board or these Bylaws, the Vice-President:

(1) upon the President's death, absence, disability, or inability to act, shall perform the duties, and have the powers, of the President; and

(2) shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board

#### **SECTION 7. SECRETARY:**

Except as otherwise provided by the Board or these Bylaws, the Secretary:

(1) shall be responsible for preparing, or supervising the preparation of, minutes of Board and Member Meetings;

(2) shall be responsible for maintaining and authenticating the Cooperative's records;

(3) may affix the Cooperative's seal to a document authorized or approved by the Board or Members; and shall perform all other duties, shall have all other responsibilities, and may exercise all other authority, prescribed by the Board

**SECTION 8. TREASURER:** The treasurer shall, except as otherwise provided by the Board or these Bylaws, perform all duties, shall have all responsibility, and may exercise all authority, prescribed by the Board

**SECTION 9. MANAGER:** The Board of Directors may appoint a manager who shall be required to be a member of the Cooperative. The manager shall have general oversight, care and management of the property and business of the Cooperative and employment and discharge of all personnel of the Cooperative, subject to approval of the Board of Directors and shall perform such additional duties and have such additional authority as the Board of Directors may from time to time require of or vest in him, provided, however, that the Manager shall always be subject to direction and management of the Board of Directors through action taken at regular or special meetings of such Board.

**SECTION 10. BONDS OF OFFICERS:** At the Cooperative's expense, the Cooperative may purchase a bond covering a Cooperative Official.

**SECTION 11. COMPENSATION:** The compensation, if any, of any officer, agent or employee who is also a director, shall be determined by the members, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

**SECTION 12. REPORTS:** The officers of the Cooperative or designated individuals shall submit at each annual meeting of the members, reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

**SECTION 13. NEPOTISM:** No close relative of a director, officer or the manager shall be paid employees of the Cooperative.

## **ARTICLE VI CONTRACTS, CHECKS AND DEPOSITS**

### **SECTION 1. CONTRACTS**

Except as otherwise provided in these by-laws, the Board of Directors 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 or Directors.

**SECTION 3. DEPOSITS:** All funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative and in such bank or banks as the Board of Directors may select.

## **ARTICLE VII MEMBERSHIP CERTIFICATES**

### **SECTION 1. CERTIFICATES OF MEMBERSHIP:**

Membership in the Cooperative shall be evidenced by a certificate of-membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Articles of Incorporation of the Cooperative or these by-Laws. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto.

### **SECTION 2 . ISSUE OF MEMBERSHIP CERTIFICATES**

No membership certificate shall be issued for less than the membership fee fixed in these by- laws, nor until such membership fee has been fully paid for in cash, and such payment has been deposited with the Treasurer.

**SECTION 3. LOST CERTIFICATE:** In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefore upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

## **ARTICLE VIII DISSOLUTION**

In the event of dissolution of the Cooperative, its affairs shall be liquidated in the manner provided by law. The director or directors in charge of such liquidation shall use the proceeds derived from liquidation to satisfy and discharge all outstanding liabilities and obligations of the Cooperative. The extent permitted by law, any remaining proceeds of liquidation shall be disposed of as follows:

I. The aggregate amount of capital contributed by members of the Cooperative during the period of its existence shall be determined and such remaining proceeds up to such aggregate amount shall be returned to such members in proportion to the respective amounts of capital contributed by them.

2. The remaining liquidation proceeds, if any, shall be distributed ratably among the members holding membership as of the time it ceases to conduct its business of supplying electric power and energy.

#### **ARTICLE IX 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 duly held meeting of the members thereof by the affirmative vote of not less than two-thirds 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, or any other provision of law, the Board of Directors 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 wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality, or agency thereof, or to a national 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 X WAIVER OF NOTICE**

Any member or director may waive, in writing, any notice of meetings required to be given by these by-laws. In case of joint membership a waiver of notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

#### **ARTICLE XI FISCAL YEAR**

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

#### **ARTICLE XII LOCATION OF PRINCIPAL OFFICE**

The principal office of the Cooperative shall be located in the Town of Savannah, in the County of Hardin, in the State of Tennessee, for a period of ten (10) years after the date of the adoption of these by-laws by the Board of Directors. Thereafter, without the adoption of any amendment hereto, the location of the principal office of the Cooperative may be changed in accordance with the provisions of the Tennessee Electric Cooperative Act of 1939, as from time to time amended.

#### **ARTICLE XIII MEMBERSHIP IN OTHER ORGANIZATIONS**

The Cooperative shall not become a member of any other organization, except a cooperative performing services in connection with the rendering of bills for electric energy furnished by its members, which shall be electric cooperative organizations similar to the Cooperative, without an affirmative vote of the members at a meeting, called as provided in these by-laws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business.

#### **ARTICLE XIV SEAL**

The corporate seal of the Cooperative shall be in a form of a circle and shall have inscribed thereon "Tennessee Valley Electric Cooperative, Savannah, Hardin County", and the words, "Corporation Seal, Tennessee."

#### **ARTICLE XV AMENDMENTS.**

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

Statement in compliance with Title VI of the Civil Rights Act of 1964:

The Tennessee Valley Electric Cooperative has filed with the Federal Government a Compliance Assurance in which it assures the Rural Electrification Administration that it will comply fully with all requirements of Title VI of the Civil Rights Act of 1964 and the Rules and Regulations of the Department of agriculture issued thereunder, to the end that no person in the United States shall, on the ground of race, color, or national origin, in its policies and practices relating to treatment of beneficiaries and participants including rates, conditions and extension of service, use of any of its facilities, attendance at and participation in the conduct of the operations of this organization. Any person who believes himself, or any specific class of individuals, to be subjected by this organization to discrimination prohibited by Title VI of the Act and the Rules and Regulations issued thereunder may, by himself or a representative, file with the Secretary of Agriculture, the Rural Utilities Service or this organization, or all, a written complaint. Identity of complainants will be kept confidential except to the extent necessary to carry out the purposes of the Rules and Regulations.