ARTICLE I
MEMBERSHIP

SECTION 1.01 Eligibility

Any natural person, firm, association, corporation, business trust, partnership, limited liability company, any other business entity, State or political subdivision or agency thereof, the United States of America or political subdivision or agency thereof, foreign government, or any other body politic, may be eligible to become a member of, and, at one or more premises owned or directly occupied or used by such member, to receive Cooperative services from Broad River Electric Cooperative, Inc. (hereinafter called the "Cooperative") by:

(a) filing a written application for membership therein;
(b) agreeing to purchase from the Cooperative services as hereinafter specified;
(c) agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any policies, rules and regulations adopted by the Board of Trustees;
(d) paying the membership fee hereinafter specified; and
(e) maintaining an active account in "good standing" with the Cooperative. That a person is a member in "good standing" who is not delinquent in the payment on any account, debt or obligation owed to the Cooperative, and who is in compliance with the Cooperative's Articles of Incorporation, Bylaws and any policies, rules and regulations adopted by the Board of Trustees.

PROVIDED, HOWEVER, that no person, firm, association, corporation, business trust, partnership, limited liability company, any other business entity, State or political subdivision or agency thereof, the United States of America or political subdivision or agency thereof, foreign government, or any other body politic shall become a member unless and until he or it has been accepted for membership in the Cooperative, and no membership in the Cooperative shall be transferable.

SECTION 1.02 Application for Membership; Renewal of Prior Application

An application for membership shall be made in writing on such a form as is provided therefor by the Cooperative. With respect to any particular classification of service for which the Board of Trustees shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as may be provided therefor by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03 (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, if any) shall be refunded in the event the application is by Board resolution denied. Any former member of the Cooperative may, by sole act of paying a new membership fee and any outstanding account plus accrued interest thereon at a rate established by the Board of Trustees not to exceed the South Carolina legal rate on judgments in effect when such account first became overdue, compounded annually (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), renew and reactivate any prior application for membership without further Board action.

SECTION 1.03 Membership Fee; Service Security and Facilities Extension Deposits; Contribution in Aid of Construction.

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

SECTION l.04 Joint Membership

Unless otherwise requested, two adult persons residing at the same residence, or conducting business at the same location, may apply for joint membership in the Cooperative. The word "member" as used in these Bylaws, shall include any two adult persons residing at the same residence, or conducting business at the same location applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing:

(a) the presence at a meeting of either or both shall constitute the presence of one member constituting a joint waiver of notice of the meeting;
(b) notice to, waiver of notice signed by, either or both shall constitute a joint notice of waiver notice;
(c) suspension or termination in any manner of either shall constitute suspension or termination of the joint membership;
(d) each, but not both concurrently, shall be eligible to serve as a trustee of the Cooperative, but only if both meet the qualifications required therefor; and
(e) neither will be permitted to have any additional service connections except through their one joint membership.

SECTION 1.05 Conversion of Membership

(a) A membership maybe converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and any other person to comply with Articles of Incorporation, Bylaws, policies and rules and regulations adopted by the Trustees. The outstanding membership certificate shall be voided and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

(b) Upon the death of either person who is party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be voided, and shall be reissued in such manner as 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 1.06 Acceptance into Membership

Upon complying with the requirements set forth in Section 1.02, any applicant may become a member on the date of his connection for electric service; PROVIDED, that the Board of Trustees may by resolution deny an application and refuse to extend service upon its determination that the applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership that such application should be denied for other good cause; PROVIDED FURTHER, that any person whose application, for sixty (60) days or longer, has been submitted but not denied by the Board of Trustees and who has not received services by the Cooperative may, by filing written request therefor with the Cooperative at least thirty (30) days prior to the next meeting of the members, have his application submitted to and approved or disapproved by the vote of the members at such meeting, at which the applicant shall be entitled to be present and he heard.

SECTION 1.07 Purchase of Electric Power and Energy; Power Production by Member; Application of Payments to All Accounts

The Cooperative shall use reasonable diligence to furnish its members with adequate and dependable services, although it cannot and therefor does not guarantee a continuous and uninterrupted supply or deliver of any service provided by the Cooperative; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all services purchased for the use of all premises to which services have been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Trustees may in writing waive such requirement, and the member shall pay therefor at the times, and in accordance with the policies, rules, regulations, rate classifications and rate schedules (including any monthly minimum amount that may be charged without regard to services actually used) established by the Board of Trustees and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of services on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable.

SECTION 1.08 Excess Payments to be Credited as Member Furnished Capital

All amounts paid for services in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article IX of the Bylaws.

SECTION 1.09 Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damaging Cooperative Properties; Extent of Cooperative Responsibility; Indemnification

Each member shall cause all premises receiving any Cooperative service pursuant to his membership to become and remain in compliance with any applicable State code or local government ordinances or building codes, and of the Cooperative, including, but not limited to, the specifications of the current edition of the National Electric Code. If the foregoing specifications are variant, the more exacting standards shall prevail. Each member shall be responsible for, and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss damage (including property) resulting from any defect in improper use or maintenance of such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of any service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from hostile animals or any other hostile source for meter reading, bill collecting and for inspection, maintenance replacement, relocation, repair or disconnection of such facilities at all times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall also provide such protective devices to his premises, apparatus or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interference with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage of resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative for furnishing electric service extend beyond the point of delivery.

SECTION 1.10 Member to Grant Easements to Cooperative

Each member shall, upon being requested so to do by the Cooperative, execute and deliver to the Cooperative grants of easements or rights-of-way over, on, across and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of any Cooperative service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's facilities.

SECTION 1.11 Misleading or Fraudulent Applications

In the event any applicant for service files an inaccurate, misleading, or fraudulent application for service with the Cooperative, the Cooperative may deny membership and service to such applicant., or having commenced service before learning of the inaccuracy or misrepresentation, may immediately terminate membership and service to such party.

ARTICLE II
MEMBERSHIP SUPSENSION AND TERMINATION

SECTION 2.01 Suspension; Reinstatement

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

SECTION 2.02 Termination by Expulsion; Renewed Membership

Upon failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, such member may, without further notice, but only after due hearing if such is requested, be expelled by resolution of the Board of Trustees at any subsequently held regular or special meetings of the Board. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event such person's membership shall be reinstated retroactively to the date of expulsion. After any finally effective expulsion of a member, he or it may not become a member except upon new application therefor duly approved as provided in Article I. The Board of Trustees, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

SECTION 2.03 Termination by Withdrawal or Resignation

A member may withdraw from membership upon such generally applicable conditions as the Board of Trustees shall prescribe and upon either (a) ceasing to (or, with the approval of the Board of Trustees, resigning his membership in favor of a new applicant who also shall) own or directly occupy or use all premises being furnished Cooperative services pursuant to his membership, or (b) except when the Board of Trustees specifically waives such condition when the member totally and permanently abandons the use of Cooperative services on such premises.

SECTION 2.04 Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners

Except as provided in Section 2.06, the death of an individual human member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership; PROVIDED, that upon the dissolution for any reason of a partnership, or upon death, withdrawal or addition of any individual partner, such membership shall continue and to be held by such remaining and/or new partner or partners as continue to own or directly occupy or use the premises being furnished any Cooperative service pursuant to such membership in the same manner and to the same effect as though such membership had never been held by different partners, PROVIDED, FURTHER, that neither a withdrawing partner nor his estate shall be released from any debts then due to the Cooperative.

SECTION 2.05 Effect of Termination

Upon the termination in any manner of a person's membership, such member or member's estate, as the case may be, shall be entitled to a refund of his membership fee (and to his service security deposit, if any, thereto for paid the Cooperative), Jess any amounts due the Cooperative; but neither the member nor his estate, as the case may be, shall be released from any debts other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member, as provided for in Section 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Trustees shall expressly so elect, constitute such release of such person or any other entity from his or its membership obligations as to entitle him or it to purchase from any other entity any Cooperative service for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

SECTION 2.06 Effect of Death, Legal Separation or Divorce Upon a Joint Membership

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

SECTION 2.07 Board Acknowledgement of Membership Termination; Acceptance of Members Retroactively

Upon the termination of a person's membership for any reason, the Board of Trustees, as soon as practicable after such termination, is made known to it, shall by administrative policy acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing any Cooperative service to such person. Upon discovery that the Cooperative has been furnishing any service to any person other than a member, it shall cease furnishing such service unless such person applies for, and the Board of Trustees approves, membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership and all related records accordingly.

ARTICLE III
MEETINGS OF MEMBERS

SECTION 3.01 Annual Meetings

The annual meeting of the members shall be held once each calendar year on call of the Board of Trustees, at such time and place as shall be designated to the notice of the meeting for the purpose of electing trustees, passing upon reports for previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the annual meeting for any cause shall not work a forfeiture or dissolution of the Cooperative. It shall be the responsibility of the Board of Trustees to make adequate plans and preparations for, and to encourage member attendance at, the annual meeting and any special meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

SECTION 3.02 Special Meetings

A special meeting of the members may be called by the Board of Trustees, by any three trustees, by the Chairman or by petition signed by not less than ten (10%) percent of the then-total members of the Cooperative. That for a petition to be valid, such petition must: (1) state the purpose(s) for the special meeting; (2) list the printed name, address, telephone number and signatures of at least ten (10%) percent of the then total members of the Cooperative who are in good standing; and (3) all signatures must be obtained within ninety (90) days of being submitted to the Secretary of the Cooperative, with such signatures being subject to verification by the Committee on Nominations, Credentials and Elections. To ensure a petition is properly submitted, a member must use a petition form provided by the Cooperative. Any petition form must be provided to a member upon request at the main corporate office of the Cooperative. If a petition is determined to not be in compliance with these bylaws, the person(s) submitting the petition shall be informed of the reason for any noncompliance. If the Committee on Nominations, Credentials and Elections determines that the petition is in compliance with these bylaws, it shall be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03.Such a meeting shall be held at a designated place, on such date, not less than ten (10) nor more than forty-five (45) days after the call for such meeting is made or a petition therefor is filed, and beginning as such hour as shall be designated by the Board or those calling or petitioning for the same.

When a special meeting is called where the stated purpose includes an election to be voted on by the general membership, at least thirty (30) days' notice of the meeting is required in order to permit early voting in the manner required by law and these bylaws. For the purposes of calculating when notice should be given, the day of the meeting should not be included in the count.

SECTION 3.03 Notice of Member Meetings

Written or printed notice of the place, day and hour of a member meeting and, in case of a special meeting or an annual meeting at which special business is to be transacted, the purpose or purposes of the meeting is called, shall be delivered to each member not less than ten (10) days, or less than thirty (30) days if the meeting includes an election, nor more than forty-five (45) days prior to the date of the meeting, either personally or by mail, by or at the direction of the Board of Trustees. Any such notice delivered by mail may be included with member service billings or as an integral part of or with the Cooperative's monthly newsletter and/or its monthly insert, if any, in South Carolina Living. No matter the carrying of which, as provided by the law or by the Cooperative's Articles of Incorporation or Bylaws, if any question, issue, motion and/or matter requires the affirmative votes of more than simple majority of the members voting at any meeting of the members, such question, issue, motion and/or matter shall not be acted upon at any such meetings of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or its address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least ten (10) days, or at least thirty (30) days in the case of an election, prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive a notice deposited in the mail addressed to the member at his address shown on the Cooperative's books shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meetings shall not have been lawfully called or convened. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

SECTION 3.04 Quorum

Business may not be transacted at any meeting of the members unless there are present and registered at least five (5%) percent of the then-total members of the Cooperative. A vote cast by a member at an early voting site counts for purposes of determining the presence of a quorum at the meeting where the election is to be held. If less than a quorum is present at any meeting, a majority of those present in person may without further notice adjourn the meeting to another time and date not less than thirty (30) days later within Cherokee County, South Carolina or any other place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. Furthermore, if a meeting is held involving the election of trustees, and less than a quorum is present, any incumbent trustees up for re-election shall continue to serve in a holdover status until a meeting may be held to transact business and elect trustees.

SECTION 3.05 Voting

Each member who is not in a status of suspension, as provided for in Article II, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by South Carolina law or by the Cooperative's Articles of Incorporation of these Bylaws.

For meetings that include the election of a Cooperative trustee, any polling location must be open for a minimum of four hours.

When there is a contested election for the position of Cooperative trustee at an annual meeting, the Cooperative must provide a method by which members of the Cooperative may cast a ballot in an election for trustees on a day, or days, other than, and before, the annual meeting day. Alternative early voting by Cooperative members shall be at the main corporate office of the Cooperative from 7 a.m. until 7 p.m. the day, or days, before the annual meeting and should include reasonable accommodations for elderly, disabled, or infirmed members.

SECTION 3.06 No Proxies, Cumulative Voting, Voting by Mail or Absentee Ballots

Members may not cumulate the votes or vote by proxy, by mail, or absentee ballot, PROVIDED, HOWEVER, that to the extent permitted by State law, members may participate in early voting or absentee voting in matters to be addressed at member meetings, and that such absentee voting or early voting by members as permitted by law shall be counted towards the satisfaction of any required quorum for a member meeting.

SECTION 3.07 Order of Business

The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

(1) Report on the registration of members and the determination of the existence of a quorum;
(2) Reading the notice of the meeting and proof of the due giving thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
(3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon;
(4) Presentation and consideration of reports of officers, trustees and committees;
(5) Election of Trustees;
(6) Unfinished business;
(7) New business; and
(8) Adjournment

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

ARTICLE IV
TRUSTEES

SECTION 4.01 Number of Trustees; General Powers

The business and affairs of the Cooperative shall be managed by a Board of nine (9) trustees. The Board shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or Bylaws conferred upon or reserved to the members.

A trustee shall discharge the trustee's duties, including the duties as a Board Committee member in good faith; with the care an ordinary prudent person in a like position would exercise under similar circumstances; and in a manner the trustee reasonably believes to be in the Cooperative's best interests.

Unless a trustee possess knowledge concerning a matter making reliance unwarranted, then in discharging a trustee's duties, including duties as a Board Committee member, a trustee may rely upon information, opinions, reports, or statements, including statements and other financial data, prepared or presented by: (1) One or more Cooperative Officers or employees whom the trustee reasonably believes to be reliable and competent in the matters prepared or presented; (2) legal counsel, public accountants, or other individuals regarding matter the trustee reasonably believes are within the individual's professional or expert competence; and (3) if the trustee believes a Board Committee of which the trustee is not a member merits confidence, then the Board Committee regard matters within the Board Committee's jurisdiction.

A trustee is not acting in good faith if the trustee has knowledge concerning the matter in question that makes reliance on the advice of an officer and other persons otherwise permitted.

If the trustee complies with this bylaw, then the trustee is not liable to the Cooperative, any member, or any other individual or entity for action taken, as a trustee. This immunity from suit is removed when the conduct of the trustee amounts to willful, wanton or gross negligence.

SECTION 4.02 Qualifications of Trustee

No person shall be eligible to become, or to remain, a trustee of the Cooperative who:

(1) Is not a member in "good standing" as defined by the bylaws of the Cooperative for a period of at least two continuous years immediately prior to seeking election as trustee, and who does not receive service from the Cooperative at his primary residential abode which is determined by the South Carolina voter registration law;
(2) Is a "close relative" as defined by these bylaws to any trustee or employee of the Cooperative, or a person employed by or holding a position with any other Cooperative, affiliated Cooperative or affiliated business or subsidiary of the Cooperative; however, no incumbent trustee shall become ineligible to serve as a trustee if the trustee becomes a "close relative" because of a marriage to which the trustee was not a party;
(3) Does not have the legal capacity to enter into legally binding contracts, or becomes mentally or physically unable to perform the duties of a trustee;
(4) Has been employed by the Cooperative in the past ten (10) years;
(5) Is engaged with, employed by, or holds a financial interest in, a business or enterprise that competes with the Cooperative as to the furnishing or delivery of services, or otherwise has a material conflict of interest;

(6) Who has been found guilty of a criminal offense punishable by more than one (1) year imprisonment, or a crime of moral turpitude or dishonesty;
(7) Does not, within a reasonable time after becoming trustee, receive a NRECA Trustee's Certificate or similar certification of education and training that may be specified by the Board of Trustees;
(8) Does not attend at least eight (8) monthly board meetings each year, with any absences being excused by the Board of Trustees for good cause;
(9) Has engaged in fraudulent or dishonest acts, or gross abuse of authority in the discharge of duties to the Cooperative; and
(10) Has failed to fully, truthfully and timely complete and submit a Campaign Disclosure Statement as provided for by these Bylaws.

That when an issue regarding a person's qualifications to serve as a trustee arises, such person shall be notified in writing of any disqualification or ineligibility, and allowed to respond in writing or in person to contest any possible disqualification or ineligibility.

Upon the establishment of any disqualification of any person that is seeking the position of trustee, or holding the position of trustee, it shall be the duty of the Board of Trustees to withhold the position of trustee from a candidate, or to remove such person from the office of trustee as provided for by Section 4.08 of these bylaws.

SECTION 4.03 Election of Trustees

At each annual meeting of the members, trustees shall be elected by secret written ballot or approved voting apparatus by the members and, from among those members who are natural persons, PROVIDED, that, when, the number of nominees does not exceed the number of trustees to be elected from a particular Trustee District, and if there is no objection, secret written balloting or approved voting apparatus may be dispensed with in respect of that particular election and voting may be conducted in any other proper manner. Trustees shall be elected by a plurality of the votes cast unless the members in advance of any balloting resolve that a majority of the votes cast shall be required to elect.

SECTION 4.04 Tenure of Trustees

Trustee representation shall be divided into three classes. Trustees shall be so nominated and elected such that one trustee from or with respect to each of Trustee Districts Nos. one, two and three (I, II, III) shall be elected for three-year terms at the next succeeding annual member meeting; and one trustee from or with respect to each of Trustee Districts Nos. one, two, and three (I, II, III) shall be elected for three-year terms at the next succeeding annual member meeting, and so forth, PROVIDED, that the terms of no two trustees from the same Trustee District shall coincide. Upon their election, trustees shall, subject to the provisions of these Bylaws with respect to the removal of trustees, serve until the annual meeting of the members of the third year hence at which time their terms expire or until their successors shall have been elected and shall have qualified. If for any reason an election of trustees shall not be held at an annual meeting of the members duly fixed and called pursuant to these Bylaws, such election may be held at a subsequently held special meeting or the next annual meeting of the members. Failure of an election for a given year shall allow the incumbents whose trusteeships would have been voted on to hold over only

until the next member meeting at which a quorum is present, PROVIDED, that not more than three (3) trustees can be elected in any year and in the event of any hold-over period, the election of subsequent trustees shall be extended in a like manner for like periods and in regular and customary sequence thereafter.

It is recognized that under the previous Bylaws of the Cooperative, that the geographical areas and representation of the trustees were divided generally into the same classifications and Districts as hereinafter set forth. Therefore, to provide a smooth transition in regard to the terms of the Trustees elected, those trustees elected and serving under the previous Bylaws shall continue to serve for the full three-year term for which they were elected; beginning in the year 1990, those trustees whose terms will expire under the previous Bylaws, shall stand for election under these Bylaws and so forth.

SECTION 4.05 Trustee Districts

The territory served by the Cooperative shall be divided into three geographical Trustee Districts. Each District shall be represented by the number of trustees, and the Districts described, as follows:

Trustee District No.	**Description**	**Number of Trustees**
I. (ONE) Cherokee District	Comprised of all service areas in County of Cherokee, South Carolina and the Counties of Rutherford and Cleveland, North Carolina.	3
II. (TWO) Spartanburg District	Comprised of all service areas in Spartanburg County, South Carolina and the County of Polk, North Carolina	3
III (THREE) Union District	Comprised of all service areas in the Counties of Union and Newberry, South Carolina.	3

SECTION 4.06 Nomination of Trustees

It shall be the duty of the Board of Trustees to appoint at the end of each calendar year, a Committee on Nominations, Credentials and Elections (hereinafter referred to as the "Committee"), which shall serve for the upcoming calendar year, beginning January 1 and ending December 31. That no sitting trustee whose candidacy for trustee is to be reviewed by the Committee in the upcoming year shall appoint a member of the Committee, nor shall such trustee directly or indirectly influence the nomination or credential process. That the Committee shall consist of nine (9) members of the Cooperative, who are members in "good standing" as defined by these Bylaws, and who are not existing Cooperative employees, agents, officers, trustees or potential candidates for the position of trustee, and who are not close relatives of any potential candidate for trustee or any sitting trustee. The members of the Committee shall be proportional to the number of trustees representing the trustee districts. That it shall be the duty of the Committee to approve all nominations for the position of the trustee, and to oversee any campaigning, voting or elections conducted at member meetings. That a majority of Committee members shall constitute a quorum to conduct any business of the Committee as required by these Bylaws.

That the Committee shall convene not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the date of a meeting of the members at which trustees are to be elected, for the purpose of making nominations for the position of trustee. The Committee may only nominate one nominee for any trustee position to be elected from or with respect to any Trustee District. In addition to the foregoing, any twenty-five (25) or more members of the Cooperative, acting together, may make additional nominations, (not to exceed one nomination for each Trustee District per petition), in writing over their signatures listing their nominee(s) by appropriate Trustee District(s), and shall submit the petition not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the date of a meeting of the members at which trustees are to be elected. To ensure a petition is properly submitted, a member must use a petition form provided by the Cooperative. Any petition form must be provided to a member upon request at the main corporate office of the Cooperative. That for a petition to be valid, such petition must: (1) State the name, address and telephone number of the petition candidate; (2) State the trustee district and position which the candidate is offering the petition; (3) State the printed name, address, telephone number and signatures of at least twenty-five (25) Cooperative members who are in "good standing" as defined by these bylaws; (4) All signatures must be obtained within ninety (90) days of being submitted to the Committee; and (5) Any petition must be timely submitted to the Committee as required by these bylaws by leaving such petition at the main corporate office of the Cooperative. If a petition is determined to not be in compliance with these Bylaws, the person submitting the petition shall be informed of the reason for any noncompliance.

That the Committee at its meeting not less than ninety (90) days nor more than one hundred and twenty (120) days before a member meeting at which trustees are to be elected, shall also review all petitions then submitted by potential candidates for trustee to determine whether a candidate is qualified to serve as a trustee, and whether any petition is in proper form to validly nominate a person for the position of trustee. That the Committee may further convene and meet as needed to consider any nomination by petition. Notwithstanding anything contained in this section, each nominee must be qualified to serve as trustee as set forth under these Bylaws. That following the period for nominations, and at least thirty (30) days prior to the date of a meeting of the members at which trustees are to be elected, the Committee shall issue a report as to those persons the Committee has determined to be both qualified and properly nominated for the position of trustee, whether by the Committee or by petition, and such report shall be posted in the lobby of the principal corporate offices of the Cooperative and shall list the nominations for the position of trustee, listing separately

the nominee(s) for each Trustee District, which shall include the name and address of each nominee.

The Secretary shall mail to the members with the notice of the meeting, or separately if a special meeting is held, not less than thirty (30) days nor more than forty-five (45) days prior to the meeting of the members at which trustees are to be elected, a list of the names and addresses of all nominee(s) for each Trustee District from or with respect to which one or more trustees must be elected, showing clearly those nominated by the Committee and those nominated by petition, if any.

That nominations for the position of trustee shall not be permitted in any other manner, other than what is set forth in this Section.

SECTION 4.07 Voting for Trustees; Validity of Board Action

In the election of trustees, each member shall be entitled to cast the number of votes (one vote for each position but not cumulatively) which corresponds to the total number of trustees to be elected, but no member may vote for more nominees than the number of trustees that are to be elected from or with respect to any particular trustee District. Ballots marked in violation of the foregoing restriction with respect to one or more Trustee Districts shall be invalid and shall not be counted with respect to such District or Districts. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Trustees after the election of trustees.

SECTION 4.08 Suspension of Trustee by Board; Removal by Members

The Board, by a two-thirds (2/3) vote, may temporarily suspend a trustee for cause provided for in Section 33-49-610 of South Carolina Code of Laws (1976), as amended. Any member may bring one or more charges for cause against any one or more trustees and may request removal of such trustee(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition signed by not less than ten (10%) percent of the then total members of the Cooperative, which petition calls for a special member meeting, the stated purpose of which shall be to hear and act upon such charge(s), and to determine if one or more trustees are to be recalled. To ensure a petition is properly submitted, a member must use a petition form provided by the Cooperative. Any petition form must be provided to a member upon request at the main corporate office of the Cooperative. That for a petition to be valid, such petition must: (1) State the name, address and telephone number of the member bringing any charge(s) against a trustee; (2) Specifically state the charge(s) against any trustee; (3) List the printed name, address, telephone number and signatures of not less than ten (10) percent of the then total members of the Cooperative who are in "good standing" as defined by these bylaws; (4) All signatures on the petition must be obtained within ninety (90) days of being submitted to the Committee on Nominations, Credentials and Elections; and (5) Any petition must be timely submitted to the Committee on Nominations, Credentials and Elections as required by these bylaws by leaving such petition at the main corporate office of the Cooperative. If a petition is determined to not be in compliance with these bylaws, the member submitting the petition shall be informed of the reason for any noncompliance. Any trustee by which a petition seeks removal shall be informed in writing of the charges against him after the petition has been validly filed, and at least thirty (30) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have an opportunity to be heard in person, by witnesses, by counsel or any combination of such, and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the opportunity to be heard first. The question of the removal of such trustee(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting. That the question

of removal of a trustee shall not be voted upon at all unless some substantial substantive evidence in support of the charge(s) against him shall have been presented during the meeting. If a vacancy occurs as a result of the removal of a trustee at a special member meeting, such vacancy may be filled by the calling of another special meeting to elect a trustee in accordance with Sections 3.02 and 3.03 of these bylaws, with any nomination and election being made in compliance with these bylaws. If no special meeting is called to elect a new trustee to fill a vacancy caused by the removal of a trustee by the members, then the nomination and election of a trustee to fill the vacancy shall occur at the next annual meeting. A newly elected trustee shall be from or with respect to the same Trustee District as was the trustee whose office he succeeds and shall serve the unexpired portion of the removed trustee's term.

SECTION 4.09 Vacancy for Position of Trustee

Notwithstanding any provisions in the bylaws to the contrary, a vacancy in the office of trustee occurring for any reason other than expiration of a term may be filled only for the remainder of the unexpired term by a vote of the membership at the next annual meeting.

If a vacancy in the office of trustee occurs more than six months from the date of the next annual meeting, a new trustee may be appointed to fill the vacancy on an interim basis by the nominations committee of the cooperative provided:

(1) the new trustee is not a "family member", as defined in Section 8-13-100(15), of the trustee whose departure created the vacancy;
(2) the new trustee is not "an individual with whom he is associated", as defined in Section 8-13-100(21), of the trustee whose departure created the vacancy;
(3) the new trustee cannot continue to serve as a trustee past the date of the next annual meeting occurring after his appointment, subject to annual meeting notice requirements, without being duly elected by the membership to fill the remainder of the unexpired term.

SECTION 4.10 Requirement that Candidates for the Position of Trustee Complete and Submit Candidate Campaign Disclosure Statement

Every candidate for the position of trustee, whether such person has been nominated by the Committee on Nominations, Credentials and Elections or by petition, shall submit to the Cooperative a Candidate Campaign Disclosure Statement. The Cooperative, in accordance with any policy approved by the Board of Trustees, shall provide forms for candidates to complete a Candidate Campaign Disclosure Statement, which shall be provided to any candidate at the main corporate office of the Cooperative.

All completed Candidate Campaign Disclosure Statements submitted by all candidates for the position of trustee shall be made available to the Cooperative membership on "members-only" section of the Cooperative's website.

The failure of any candidate for the position of trustee to fully, truthfully and timely complete and submit a Candidate Campaign Disclosure Statement may serve as a basis to disqualify a candidate from seeking election during an election cycle, or to disqualify such person from taking or holding the office of trustee.

SECTION 4.11 Compensation; Expenses

Trustees shall, as determined by resolution of the Board of Trustees, receive, on a per diem basis a fixed fee, which may include insurance benefits, for attending meetings, whether in person or by electronic means, of the Board of Trustees, and, when such has had the prior approval of the Board of Trustees, for the performance of other Cooperative business. Trustees shall also receive advancement or reimbursement of any travel and out-of-pocket expenses, actually, necessarily and reasonably incurred in performing their duties. No trustee or close relative of a trustee shall receive compensation for serving the Cooperative in any other capacity. A trustee may not knowingly use his position as a trustee to obtain an economic interest in addition to his compensation, if any, for serving as a member of the board of trustees for himself, a close relative, an individual with whom he is associated, or a business with which he is associated. An employee of the Cooperative shall not lose eligibility to continue in the employment of the Cooperative if he becomes a close relative of a director because of a marriage to which he was not a party.

SECTION 4.12 Rules, Regulations, Rate Schedules and Contracts

The Board of Trustees shall have power to make, adopt, amend, abolish, and promulgate such rules, regulations, policies, rate classifications, rate schedules, contracts, security deposits, and any other type of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 4.13 Accounting System and Reports

The Board of Trustees 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 Electrification Administration 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. An accurate summary report of such audit shall be submitted to the members at the next following annual meeting. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 4.14 Subscription to Cooperative's Newsletter; Subscription to State wide Publication.

For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Trustees shall be empowered, on behalf of and for circulation to the members periodically to subscribe to the Cooperative's newsletter, "South Carolina Living" the annual subscription price for which shall be deducted from any funds accruing in favor of such members so as to reduce such funds in the same manner as would any other expense of the Cooperative.

SECTION 4.15 "Close Relative" and "Individual With Whom He is Associated" Defined

As used in these bylaws the term "close relative" means a person who, by blood or in-law, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal, or principally resides in the same residence.

As used in these bylaws the term "individual with whom he is associated" means an individual with whom the person or a member of his immediate family mutually has an interest in any business of which the person or a member of his immediate family is a director, officer, owner, employee, compensated agent or holder of stock worth one hundred thousand dollars or more at fair market value and which constitutes five percent or more of the outstanding stock of any class.

ARTICLE V
MEETINGS OF TRUSTEES

SECTION 5.01 Regular Meetings

A regular meeting of the Board of Trustees shall be held without notice other than this bylaw, immediately after, and at the same place as, the annual meeting of the members. Unless otherwise specified by law, a regular meeting of the Board of Trustees shall also be held monthly at such time and place in Cherokee County, South Carolina or any other designated place as approved by the Board of Trustees. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

SECTION 5.02 Special Meetings

A special meeting of the Board of Trustees may be called by the Board of Trustees, by the Chairman or by any three (3) trustees when appropriate to deal with extraordinary circumstances, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The Board, the Chairman, or the trustees calling the meeting shall fix the date, time and place for the meeting, which shall be held in Cherokee County, South Carolina, unless all trustees consent to its being held in some other place in South Carolina or elsewhere. Special meetings, upon proper notice as otherwise provided in Section 5.03, may also be held or conducted by telephone the internet or any other electronic means, without regard to the actual location of the trustees at the time of such meeting, if all the trustees consent thereto; a waiver of notice can also be made via telephone, the internet or any other electronic means.

During special meetings, the Board of Trustees may not act regarding rates, fees, charges, the Board of Trustees composition, or trustee compensation.

SECTION 5.03 Notice of Trustees Meetings

Written notice of the date, time, place and purpose of any regular meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative’s principal place of business at least ten (10) days before the meeting. Written notice of the date, time, place and purpose of any special meeting of the Board of Trustees shall be posted on the Cooperative's website and at the Cooperative's principal place of business at least twenty-four (24) hours before the special meeting. Notice to trustees of any special meeting shall be delivered not less than two days before the special meeting, by written, oral or electronic means, by the Secretary, Chairman, or trustees calling the meeting. If notice of a special meeting is mailed, such notice shall be delivered when deposited in the United States mail, postage prepaid, addressed to the trustee at his address as it appears on the records of the Cooperative.

The attendance of a trustee at any meeting of the Board shall constitute a waiver or notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction any business, or of any one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened. A waiver of notice can also be made via telephone conference call.

SECTION 5.04 Quorum

The presence in person of a majority of the trustees in office shall be required for the transaction of business and the affirmative votes of a majority of the trustees present and voting shall be required for any action to be taken. The requirement that a trustee be present in-person is satisfied if a trustee is able to participate in the meeting and vote on any measure addressed in the meeting, whether by telephone, internet or any other electronic means. The Chairman may, in his sole discretion, require the physical attendance of trustees for certain meetings of the Board, during which the Board will be convening in executive session. A trustee who by law or by these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of trustees in office or present. If less than a quorum is present at a meeting, a majority of the trustees present may adjourn the meeting from time to time, but shall cause the absent trustees to be duly and timely notified of the date, time and place of such adjourned meeting. EXCEPT AS OTHERWISE PROVIDED BY LAW, when the Board considers a sale, lease, lease-sale exchange, transfer or other disposition of all or substantially all of the Cooperative's assets, approval must be by two thirds (2/3) of the members of the Board of Trustees.

ARTICLE VI
OFFICERS: MISCELLANEOUS

SECTION 6.01 Number and Title

The officers the Cooperative shall be a Chairman, Vice Chairman, Secretary, and Treasurer, and such officers as may from time to time be determined by the Board of Trustees. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.02 Election and Term of Office

The four officers named in Section 6.01 shall be elected by secret written ballot, annually and without prior nomination, by and from the Board of Trustees, at the first meeting of the Board held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as convenient. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to removal of trustees and to the removal of officers by the Board of Trustees. Any other officer may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Trustees may from time to time deem advisable.

SECTION 6.03 Removal

Any officer, agent or employee elected or appointed by the Board of Trustees may be removed by the Board whenever in its judgment, the best interests of the Cooperative will thereby be served.

SECTION 6.04 Vacancies

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

SECTION 6.05 The President, also known as Chairman

The President, also known as Chairman, shall:

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

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

(c) in general, perform all duties incident to the office of Chairman and such other duties as maybe prescribed by the Board of Trustees from time to time.

SECTION 6.06 Vice Chairman

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

SECTION 6.07 Secretary

The Secretary shall:

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

(b) sign, with the Chairman, all documents of any nature whatsoever which shall have been authorized by the Board of Trustees and shall have been authorized by resolution of the Board of Trustees, and may sign any deeds, mortgages, deeds of trust, notes, bonds contracts or other instruments authorized by the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these Bylaws to some other Officer of agent of the Cooperative, or shall be required by law to be otherwise signed or executed;

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

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

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

(f) have general charge of the books of the Cooperative in which a record of the members is kept; with all amendments thereto, which copies shall always be open to the inspection of any member, and, at the expense of the Cooperative, furnish a copy of such documents of all amendments thereto upon request to any member; and

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

SECTION 6.08 Treasurer

The Treasurer shall:

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

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

provisions of these Bylaws; and

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

SECTION 6.09 Delegation of Secretary's and Treasurer's Responsibilities

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinabove provided in Sections 6.07 and 6.08, the Board of Trustees by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular and routine administration of, one or more of each such officer's duties to one or more agents, other officers or employees of the Cooperative who are not trustees. To the extent that the Board does so delegate with respect to any such officer, that the officer as such shall be released from such duties, responsibilities and authorities.

SECTION 6.10 President and Chief Executive Officer

The Board of Trustees may appoint a President, who may be, but who shall not be required to be, a member of the Cooperative, and who also may be designated Chief Executive Officer and/or General Manager. Such officer shall perform such duties as the Board of Trustees may from time to time require and shall have such authority as the Board of Trustees may from time to time vest in him.

SECTION 6.11 Bonds or Insurance Coverage

The Board of Trustees shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond, or insurance coverage, in such sum and with such surety or insurance company as the Board of Trustees shall determine. The Board of Trustees in its discretion may also require any other Officer, agent or employee of the Cooperative to give bond or have insurance coverage in such amount and with such surety or insurance company as it shall determine. The costs of all bonds or insurance coverage shall be borne by the Cooperative.

SECTION 6.12 Compensation; Indemnification

The compensation, if any, of any officer, agent or employee who is also a trustee or close relative of a trustee shall be determined as provided in Section 4.10 of these Bylaws, and the powers, duties and compensation of any officers, agents and employees shall be fixed or a plan therefor approved by the Board of Trustees. The Cooperative shall indemnify present and former trustees, officers, including the President (or, if so titled, the Chief Executive Officer and/or General Manager), agents and employees against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interest of the Cooperative or were not against the best interests of the Cooperative may purchase insurance to cover such indemnification

ARTICLE VII
CONTRACTS, CHECKS AND DEPOSITS

SECTION 7.01 Contracts

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

SECTION 7.02 Checks, Drafts, etc.

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

SECTION 7.03 Deposits; Investments

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

ARTICLE VIII
MEMBERSHIP CERTIFICATES

SECTION 8.01 Certificate of Membership

Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of membership, which shall be in such forms and shall contain such provisions as shall be determined by the Board of Trustees not contrary to, or inconsistent with, the Cooperative' s Articles of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, may be signed by the Chairman and Secretary, and the seal may be affixed thereto, PROVIDED, that the seal and/or the signatures of the Chairman and the Secretary may be imprinted thereon facsimile.

SECTION 8.02 Issuance of Membership Certificates

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

SECTION 8.03 Lost Certificate

In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and conditions and such indemnity to the Cooperative as the Board of Trustees may prescribe.

ARTICLE IX
NON-PROFIT OPERATION

SECTION 9.01 Interest or Dividends on Capital Prohibited

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

SECTION 9.02 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 or 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 a 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, and the Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron of the amount of such excess and provide a clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any patron shall have the same status as though they have 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 expense shall, insofar as permitted by law, be used (a) 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 a 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, PROVIDED, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable, as determined by the Board of Trustees 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. Notwithstanding any other provisions of these Bylaws, the Board shall determine the method of allocation, basis, priority and order of retirement, if any, for all amounts furnished as patronage capital. The Board of Trustees shall

have the power to adopt rules providing for the separate requirement of that portion ("power supply or other service or supply portion") of capital credited the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply or any other service or supply to the Cooperative. Such rules shall: (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the Cooperative's patron, (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to the Cooperative's accounts and (d) preclude a general retirement of such portions of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year 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 instructions 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 of Trustees, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these Bylaws, the Board of Trustees shall at its discretion have the power upon (1) termination of membership, or (2) the death of any patron who was a natural person, (or, if as so provided for in the preceding paragraph, upon the death of an assignee of the capital credits of a patron, which assignee was a natural person), if the legal representatives of his estate shall request in writing that the capital so credited or assigned, as the case may be, be retired prior to the time such capital would otherwise be retired upon the provisions of the Bylaws, to retire such capital immediately upon such terms and conditions as the Board of Trustees, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon, PROVIDED, however, that the financial condition of the Cooperative will not be impaired thereby. Any patronage retirement payments approved under this provision will be discounted through a present value calculation.

The Cooperative, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the South Carolina legal rate on judgments in effect when such amount became overdue, compounded annually.

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 offices.

SECTION 9.03 Patronage Refunds in Connection with Furnishing Other Services

In the event that the Cooperative should engage in the business of furnishing goods or services other than electric energy, all amount received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time and in such order of priority as the

Board of Trustees shall determine.

ARTICLEX
WAIVER OF NOTICE

SECTION 10.1 Waiver of Notice

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

ARTICLE XI
DISTRIBUTION AND PLEDGING OF PROPERTY; DISTRIBUTION OF SUPLUS ASSETS ON DISSOLUTION

SECTION 11.01 Disposition and Pledging of Property

(a) Not inconsistent with the laws of the State of South Carolina and subsection (b) hereof, the Cooperative may authorize the sale, lease, lease-sale, exchange, transfer or other disposition of all or substantially all of the Cooperative's properties and assets only upon the affirmative votes of two-thirds of the then-total members of the Cooperative at a duly held meeting of the members. However, the Board of Trustees, shall have full power and authority (1) to borrow monies from any source and in such amounts as the Board may from time to time determine; (2) to mortgage or otherwise pledge or encumber any or all of the Cooperative's properties or assets as security therefor; and (3) to lease, lease-sale, exchange, transfer or otherwise dispose of merchandise or property no longer necessary or useful for the operation of the Cooperative, or less than substantially all of the Cooperative's properties and assets.

(b) Supplementary to the first sentence of the foregoing subsection (a) and any other applicable provisions of law or these Bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition of all or substantially all of the Cooperative's properties and assets shall be authorized except in conformity with the following:

(1) If the Board of Trustees looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first appoint three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered.

(2) If the Board of Trustees, after receiving such appraisals (and other terms and conditions which are submitted, if any), determines by resolution that the proposal should be submitted for consideration by the members, the Board shall, within sixty (60) days after the adoption of such resolution, transmit the appraisals, together with any underlying data and information that may have accompanied them, to every electric cooperative corporately sited and operating in South Carolina, and the National Rural Utilities Cooperative Finance Cooperation (CFC), inviting and giving such cooperatives an opportunity to submit competing or alternative proposals, including

proposals to merge or consolidate with the Cooperative. Such parties shall be given not less than sixty (60) days during which time to submit competing or alternative proposals, with the actual final date for the submission of any proposals being stated in the written notice given to them.

(3) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall adopt a resolution reco1mnending the sale and directing the submission of the proposal to a vote of the members at a duly held member meeting, and shall notify the members of such proposal(s) not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual member meeting, expressing in detail each of any such proposals. The Board shall call the special meeting of the members for consideration thereof and action thereon, which meeting shall be held not less than thirty (30) days after the giving of notice thereof to the members, PROVIDED, that consideration and action by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is held not less than thirty (30) days after the giving of the notice of such meeting.

(4) A petition signed by not less than ten (10%) percent of the then-total members of the Cooperative may be submitted at least forty-five (45) days prior to the special or annual meeting to the Secretary of the Cooperative regarding any opposing or alternative position which they may have to the proposals that have been submitted or any recommendations that the Board has made. To ensure a petition is properly submitted, a member must use a petition form provided by the Cooperative. Any petition form must be provided to a member upon request at the main corporate office of the Cooperative. That for a petition to be valid, such petition must: (1) State the opposing or alternative position; (2) List the printed name, address, telephone number and signatures of at least ten (10%) percent of Cooperative members who are in good standing; and (3) All signatures must be obtained within ninety (90) days of being submitted to the Secretary of the Cooperative, with such signatures being subject to verification by the Committee on Nominations, Credentials and Elections; and (4) Any petition must be timely submitted to the Secretary as required by these bylaws by leaving such petition at the main corporate office of the Cooperative. If a petition is determined to not be in compliance with these bylaws, the person(s) submitting the petition shall be informed of the reason for any noncompliance. If the Committee on Nominations, Credentials and Elections determines that the petition is in compliance with these bylaws, it shall be the duty of the Secretary to cause such opposing or alternative position to be mailed at least thirty (30) days before the special or annual meeting to all members of the Cooperative with the costs to be borne by the Cooperative.

The provisions of this subsection (b) shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more other electric cooperatives or commitment to make such disposition if the substantive or actual legal effect thereof is to merge or consolidate in whole or in part, with such other one or more electric cooperatives.

SECTION 11.02 Distribution of Surplus Assets on Dissolution

Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Trustees, not inconsistent with the laws of the State of South Carolina and of the third paragraph of Section 9.02 of these Bylaws, be distributed without priority but on a patronage basis among all persons who are or have been members of the Cooperative during the seven years next preceding the date of filing of the certificate of dissolution, PROVIDED, HOWEVER, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more non-profit charitable or educational organizations that are exempt from Federal income taxation.

ARTICLE XII
FISCAL YEAR

SECTION 12.01 Fiscal Year

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

ARTICLE XIII
RULES OF ORDER

SECTION 13.01 Rules of Order

Parliamentary procedure at all meetings of the members, of the Board of Trustees, of any committee provided for in these Bylaws and of any other committee of the members or Board of Trustees, which, may from time to time be duly established, shall be governed by the most recent edition of Robert's Rules of Order, except to the extent such procedure is otherwise determined by law or by the Cooperative's Articles of Incorporation or Bylaws.

ARTICLE XIV
SEAL

SECTION 14.01 Corporate Seal

The Corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon “Broad River Electric Cooperative, Inc., Corporate Seal South Carolina."

ARTICLE XV
AMENDMENTS

SECTION 15.01 Amendments to Bylaws

These Bylaws may be altered, amended or repealed by a majority of the members voting thereon at any regular or special member meeting, PROVIDED, that the notice of the member meeting, shall have contained a copy of the proposed alteration, amendment, or repeal or an accurate summary explanation thereof, PROVIDED, FURTHER, that this provision does not violate and complies with any laws of the State of South Carolina.

ARTICLE XVI
DISPOSITION OF UNCLAIMED PROPERTY

SECTION 16.01 Disposition of Unclaimed Property

In compliance with the South Carolina Uniform Unclaimed Property Act (Title 27 Chapter 18 of the South Carolina Code of Laws), any unclaimed patronage capital and unclaimed membership fees, after lawful deductions for debts or services, will be submitted to the State Treasurer of South Carolina, and notice of any unclaimed property will be administered in the manner prescribed by South Carolina Law. The Cooperative may regularly impose reasonable dormancy charges for each year an owner fails to claim property held by the Cooperative.

ARTICLE XVII
PARTIAL INVALIDITY

SECTION 17.01 Partial Invalidity

When reasonably possible, every bylaw article, section, subsection, sentence clause, or provision (collectively, "Bylaw provision") must be interpreted in a manner by which the bylaw provision is valid. If, and to the extent that, a Bylaw provision conflicts with any law or the Articles of Incorporation of the Cooperative, the law or Articles of Incorporation of the Cooperative shall control. The invalidation of any bylaw provision by any entity possessing proper jurisdiction and authority, which does not alter the fundamental rights, duties, and relationship between the Cooperative and its members, shall not invalidate the remaining bylaw provisions.

ARTICLE XVIII
ENTIRE AGREEMENT

SECTION 18.01 Entire Agreement

These Bylaws, and the Articles of Incorporation, incorporated by reference herein, shall constitute the entire agreement between the Cooperative and any member. That the numbering and captioning of each section of these bylaws are not a part of these bylaws, and shall not require the amendment of the Bylaws to alter or change, and that further, any grammatical errors may be corrected as they may appear in the Bylaws, provided, such changes do not affect the substantive meaning of any Bylaw provision. This agreement cannot be amended by any oral or written statement or presentation, and may only be amended pursuant to the procedures and provisions of these Bylaws.