

DEMCO BY LAWS

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DEMCO

DIXIE ELECTRIC MEMBERSHIP CORPORATION

www.demco.org

A Touchstone Energy® Cooperative



BYLAWS CONTENTS

Article	Section	Subject	Page
I		MEMBERSHIP	
	1.01	Requirements for Membership	3
	1.02	Application for Membership; Renewal of Prior Application	3
	1.03	Membership Fee, Service Connection Fee, Security Deposit, Facilities Extension Deposit, and Contribution in Aid of Construction	3
	1.04	Joint Membership	3,4
	1.05	Conversion of Membership	4
	1.06	Purchase of Electric Power	4
II		RIGHTS AND LIABILITIES OF MEMBERS	
	2.01	Termination of Membership	4,5
	2.02	Property Interest of Members	5
	2.03	Non-Liability for Debts of DEMCO	5
	2.04	Effect of Death, Legal Separation, or Divorce Upon a Joint Membership	5
III		MEETINGS OF MEMBERS	
	3.01	Annual Meetings	5
	3.02	Special Meetings	5
	3.03	Notice of Member Meetings	5
	3.04	Quorum	6
	3.05	Voting	6
	3.06	Order of Business	7
IV		DIRECTORS	
	4.01	General Powers	7
	4.02	Tenure	7
	4.03	Districts	7
	4.04	Qualifications	8
	4.05	Nominations	8
	4.06	Removal of Non-Qualified Directors	9
	4.07	Vacancies	9
	4.08	Compensation	9
	4.09	“Close Relative” Defined	9
	4.10	Waiver of Notice	9
	4.11	Director of Emeritus	9
V		MEETINGS OF DIRECTORS	
	5.01	Regular Meetings for Election of Officers	9
	5.02	Regular Monthly Meetings	10
	5.03	Special Meetings	10
	5.04	Notice of Special Director Meetings	10
	5.05	Quorum - Regular or Special Meetings	10
VI		OFFICERS	
	6.01	Number	10
	6.02	Election and Term of Office	10
	6.03	Removal of Officers and Agents by Directors	10
	6.04	President, Powers and Duties	10
	6.05	Vice President, Powers and Duties	11
	6.06	Secretary, Powers and Duties	11
	6.07	Treasurer, Powers and Duties	11
	6.08	General Manager	11
	6.09	Fidelity Bond	11
	6.10	Reports	11

VII		DISPOSITION OF REVENUES AND RECEIPTS	
	7.01	Revenues and Receipts	12
VIII		DISPOSITION OF PROPERTY	
	8.01	Disposition of Property	12
IX		SEAL	
	9.01	Seal	12
X		FINANCIAL TRANSACTIONS	
	10.01	Contracts	12
	10.02	Checks, Drafts, and Orders for Payment	13
	10.03	Deposits	13
	10.04	Change in Rates	13
	10.05	Fiscal Year	13
XI		GENERAL MISCELLANEOUS	
	11.01	Membership in Other Organizations	13
	11.02	Rules and Regulations	13
	11.03	Accounting System and Reports	13
	11.04	Bylaw Interpretation	13
	11.05	Protection Clause	13
	11.06	DEMCO Member Information	14
	11.07	Officer and Director Indemnification	14
XII		AMENDMENTS	
	12.01	Bylaw Amendments	14
XIII		RULES OF ORDER	
	13.01	Robert's Rules of Order	15
		DEFINITIONS	15
		BOARD OF DIRECTORS	
		District Maps	17,18

ARTICLE I – MEMBERSHIP

SECTION 1.01. Requirements for Membership. Any person as defined by Louisiana Revised Statute 12:402(C) may become a member of Dixie Electric Membership Corporation (hereafter called “DEMCO”) by:

- (a) completing and signing a written application for membership therein;
- (b) agreeing to purchase from DEMCO electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the Articles of Incorporation and bylaws of DEMCO and any rules and regulations adopted by the board of directors; and,
- (d) paying a membership fee hereinafter specified; provided, however that no person, firm, association, corporation, or body politic or subdivision thereof, shall become a member unless and until he or it has been accepted for membership by the board of directors. No member shall hold more than one membership in DEMCO, and no membership in DEMCO shall be transferable.

SECTION 1.02. Application for Membership; Renewal of Prior Application. Application for membership, whereby the applicant agrees to purchase electric power and energy from DEMCO and to be bound by and to comply with all of the other provisions of DEMCO’s Articles of Incorporation and bylaws, and all rules, regulations, and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement hereinafter called “member obligations”) shall be made in writing on such forms as are provided therefor by DEMCO. With respect to any particular classification of service which the board of directors shall require, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by DEMCO.

The membership application shall be accompanied by the membership fee provided in Section 1.03 (together with any service connection fee, security deposit, facilities extension deposit, or contribution in aid of construction that may be required by DEMCO), which fees (and such security deposit, 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 DEMCO may, by the sole act of paying a new membership fee and any outstanding balance from prior service rendered by DEMCO, plus accrued interest thereon at the Louisiana legal rate on judgements in effect when such account first became overdue, compounded annually (together with any service connection fee, security deposit, facilities extension deposit, or contribution in aid of construction that may be required by DEMCO), renew and reactivate any prior application for membership of that member to the same effect as though the application had been newly made on the date of such payment.

SECTION 1.03. Membership Fee, Service Connection Fee, Security Deposit, Facilities Extension Deposit, and Contribution in Aid of Construction. The membership fee shall be as fixed from time to time by the board of directors. The membership fee, (together with any service connection fee, security deposit, facilities extension deposit, contribution in aid of construction or any combination thereof, if required by DEMCO) shall entitle the member to one service connection. A service connection fee, in such amount as shall be prescribed by DEMCO (together with a security deposit, a facilities extension deposit or a contribution in aid of construction or any combination thereof, if required by DEMCO) shall be paid by the member for each additional service connection requested by him.

SECTION 1.04. Joint Membership. An application for membership in DEMCO, pursuant to Article I, Section 1.02, by a married person shall constitute a joint membership in DEMCO, without regard to any separate property agreements, or any other like or similar agreements between the married persons. The term “member” as used in these bylaws shall be deemed to include a husband and wife and any provisions relating to the rights and liabilities of membership shall apply equally

with respect to a husband and wife. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership, shall be as follows:

- (a) the presence at a meeting of either or both shall constitute the presence of one (1) member;
- (b) a joint membership shall receive only one (1) ballot and one (1) vote at any meeting of the members and that vote shall constitute one (1) joint vote;
- (c) a waiver of notice signed by either or both shall constitute a joint waiver;
- (d) notice to either shall constitute notice to both;
- (e) expulsion of either shall terminate the joint membership;
- (f) withdrawal of either shall terminate the joint membership;
- (g) either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office;
- (h) all service connections, regardless of location, shall be through one joint membership;
- (i) in the event of legal separation or divorce, the provisions of Section 2.04 shall apply.

SECTION 1.05. Conversion of Membership. The membership of an unmarried person shall be converted to a joint membership upon marriage, without regard to any separate property agreements or any other like or similar agreements between the married persons, and all provisions of Article I, Section 1.04, Joint Membership, shall apply to that membership.

SECTION 1.06. Purchase of Electric Energy. DEMCO shall use its best effort to furnish its members with adequate and dependable electric service, although it cannot and does not guarantee a continuous and uninterrupted supply thereof, and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from DEMCO all electric power and energy purchased for use on all premises to which electric service has been furnished by DEMCO pursuant to his membership, unless and except to the extent that the board of directors may in writing waive such requirements, and shall pay therefor at the times, and in accordance with the rules, regulations and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the board of directors or any regulatory agency, 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 of these bylaws. Each member shall also pay all amounts owed to DEMCO as and when the same shall become due and payable.

Production of electric energy on such premises, or the use of electric energy produced from a source other than DEMCO, regardless of such source, by means of facilities which shall be interconnected with DEMCO facilities, shall be subject to appropriate regulations as shall be fixed from time to time by DEMCO. Each member shall also pay all other amounts owed by him to DEMCO as and when they become due and payable. When the member has more than one service connection from DEMCO, any payment by him for service from DEMCO shall be deemed allocated and credited on a pro rate basis to his outstanding accounts for all such service connections, notwithstanding that DEMCO's actual accounting procedures do not reflect such allocation and proration.

ARTICLE II – RIGHTS AND LIABILITIES OF MEMBERS

SECTION 2.01. Termination of Membership. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board of directors may prescribe.

The board of directors of DEMCO may by the affirmative vote of not less than two-thirds of all the directors expel any member who shall have refused or failed to comply with any of the provisions of the Articles of Incorporation, bylaws, or rules and regulations adopted by the board of directors, but only if such member shall have been given written notice by the Secretary of DEMCO that such refusal or failure makes him liable to expulsion and after such written notice was given.

Any expelled member may be reinstated by a majority vote of the board of directors or by a majority vote of the members at any annual or special meeting.

Upon withdrawal, death (except as provided in Section 2.04) cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his estate from any debts due to DEMCO.

SECTION 2.02. Property Interest of Members. Members shall have no individual or separate interest in the property or assets of DEMCO except that, upon dissolution, the property and assets of DEMCO remaining after all debts and liabilities of DEMCO are paid, shall be distributed among all members on an equitable basis insofar as practicable in proportion of their patronage as determined from the books and records of DEMCO.

SECTION 2.03. Non-Liability for Debts of DEMCO. The private property of the members shall be exempt from execution or other liabilities for the debts of DEMCO and no member shall be individually liable or responsible for any debts or liabilities of DEMCO.

SECTION 2.04. Effect of Death, Legal Separation, or Divorce, Upon a Joint Membership.

I. Death.

Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the manner and to the same effect as though such membership had never been joint; provided, that the estate of the deceased spouse shall not be released from any debts due to DEMCO.

II. Legal Separation or Divorce.

Upon legal separation or divorce within 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, unless otherwise ordered by a court of law; provided, that the other spouse shall not be released from any debts due to DEMCO accrued while the joint membership existed.

ARTICLE III – MEETINGS OF MEMBERS

SECTION 3.01. Annual Meetings. The annual meeting of the members shall be held at such place in the Parish of East Baton Rouge, State of Louisiana, as shall be designated in the notice of the meeting for the purpose of electing directors, passing upon reports of the previous fiscal year and transacting such other business as may come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture for dissolution of DEMCO.

In any year, the board of directors may, by majority vote of the board, provide that the election of directors as well as other business and affairs of DEMCO at the annual meeting of the members for such year, shall be conducted by mail ballot.

SECTION 3.02. Special Meetings. Special meetings of the members may be called by resolution of the board of directors, or upon written request by any three (3) directors, or the President, or by ten (10) percent, or more of all 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 Parish of East Baton Rouge, State of Louisiana, specified in the notice of the special meeting.

SECTION 3.03. Notice of Member Meetings. Written or printed notice stating the place, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business other than that listed in Article III, Section 3.06, is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) calendar days, not counting the date of the meeting, nor more than twenty-five (25) calendar days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, 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 to the member at his address as it appears on the records of DEMCO with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. (As amended by the Board of Directors, November 21, 2002)

SECTION 3.04. Quorum. Five (5) percent of total members of DEMCO as of the record date, present and in person, shall constitute a quorum at any annual or special meeting of DEMCO. If less than a quorum is present at any annual or special meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided, that the Secretary shall notify any absent members of the time and place of such adjourned meeting.

In any year in which balloting by mail is conducted for an annual or special meeting, fifteen (15) percent of the members, voting by mail, shall constitute a quorum; and provided further that where balloting by mail is conducted for the election of any director from any district, not less than fifteen (15) percent of the members from such district voting by mail shall constitute a quorum.

A quorum from each district shall be sufficient to validate the election of a candidate from the district. Elections conducted by mail shall be conducted under the supervision of a certified public accountant.

SECTION 3.05. Voting. Each member shall be entitled to only one (1) vote at any annual or special meeting of DEMCO. In the case of joint membership, either spouse may sign for the membership and cast the ballot on behalf of the membership. All questions shall be decided by a vote of a majority of members voting thereon, except as provided by law, the Articles of Incorporation, or these bylaws.

Specific items of new business, except the sale, mortgage, lease or other disposition of all or any substantial portion of DEMCO's property, may be placed upon the agenda for action at any meeting of the members at which balloting is conducted by first class mail by timely resolution of the board of directors, or by ten (10) percent or more of all members, and notice thereof shall be provided as herein set forth in Article III, Section 3.03, Notice of Member Meetings; provided, however, that in order for any such item or items of business to be placed upon the agenda of an annual meeting, at the instance of ten (10) percent or more of all members, the written request therefor by ten (10) percent or more of the members must be received at the office of the general manager of DEMCO not less than forty-five (45) days, not counting the date of the meeting, prior to the date of the meeting of the members at which such item or items are to be considered. (As amended by the Board of Directors, November 21, 2002)

In any year, the board of directors may, as set forth in Article III, Section 3.01, Annual Meetings, provide that the election of directors as well as other business and affairs of DEMCO shall be conducted by mail ballot. In any such year, the deadline for receiving mail-in ballots shall be not less than five (5) days nor more than ten (10) days from the date of the annual or special meeting of the members. (As amended by the Board of Directors, April 17, 2003)

I. Record Date.

For the purpose of determining members entitled to notice of and to vote at a meeting of members or in order to make a determination of members for any other purposes, the board of directors may fix in advance a record date for determination of members for such purpose. Such date shall not be more than sixty (60) days, not counting the date of the meeting, prior to the date on which the vote is to be taken. If no record date is fixed by the board of directors for the purpose of determining members entitled to notice of and to vote at a meeting, the close of business on the day before the notice of the meeting is mailed, or if notice is waived, then the close of business on the day before the meeting, shall be the record date for such purpose.

SECTION 3.06. Order of Business. At meetings in which balloting is conducted by mail, the items set forth below shall be conducted solely by consideration of ballots received from the members by mail, and no business may be conducted from the floor. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:

- (1) Report as to which members are present in order to determine the existence of a quorum.
- (2) Reading of the notice of the meeting and proof of the mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (3) Reading of unapproved minutes of the previous meetings of the members and the taking of necessary action thereon.
- (4) Report on the election of directors.
- (5) Presentation of officers, directors, and general manager.
- (6) Unfinished business.
- (7) New Business.
- (8) Adjournment.

By a majority vote, the board of directors may change the order of business other than items (1) and (2) of this section.

ARTICLE IV – DIRECTORS

SECTION 4.01. General Powers. The business and affairs of DEMCO shall be managed by a board of directors which shall exercise all the powers of DEMCO except such as are by law, or by the Articles of Incorporation, conferred upon or reserved to the members.

SECTION 4.02. Tenure. The persons serving as members of the board of directors at the adoption of these bylaws shall compose the board of directors until the end of their respective terms or until their successors have been elected and have been seated by the board of directors. If the election of directors is not held on the day designated, as provided in Article III, Section 3.01, or at any adjournment thereof, the members of the board of directors standing for election at said annual meeting shall be considered re-elected for an additional three-year term.

If any director does not stand for re-election at an annual meeting at which no election is held, then his or her position shall be filled in the manner provided in Article IV, Section 4.07.

SECTION 4.03. Districts. Directors shall be elected at each annual meeting in the manner hereafter provided by and from the members, for the terms hereafter provided or until their successors shall have been elected and shall have been seated as provided in Section 4.04. The seven parishes served by DEMCO shall have the following number of members on the board of directors: Ascension 1, East Baton Rouge 3, East Feliciana 2, Livingston 3, St. Helena 2, Tangipahoa 1, West Feliciana 1.

In those parishes having two (2) or more directors, each such parish shall be divided by the board of directors into districts equal to the number of directors so as to assure reasonable representation of the members in terms both of numbers of members represented in each district, and of geography. Such divisions shall be pursuant to the distracting plans adopted by the board of directors.

In the election of the board of directors, a candidate for the board from a district shall be listed on the ballot in accordance with the district from which he is a candidate, and such candidate shall compete only with candidates from his district and be voted upon and elected only by members who are residents of his district.

The board of directors shall be divided into three (3) groups as follows:

Group I: East Baton Rouge Parish, District 3; East Feliciana Parish, District 6; Livingston Parish, District 9; Tangipahoa Parish, District 12; and, West Feliciana Parish, District 13.

Group II: East Baton Rouge Parish, District 4; East Feliciana Parish, District 5; Livingston Parish, District 8; and, St. Helena Parish, District 10.

Group III: Ascension Parish, District 1; East Baton Rouge Parish, District 2; Livingston Parish, District 7; and, St. Helena Parish, District 11.

SECTION 4.04 Qualifications. No person shall be eligible to become or remain a director, who:

- (a) is not a member and bona fide resident in the district from which he is elected and whose principal place of residence is served by DEMCO; or
- (b) is in any way employed by or has a significant financial interest in a competing enterprise, or provides services or supplies to DEMCO; or
- (c) is an elected public official, or is the spouse of an elected public official, in connection with which a salary or compensation in excess of \$100.00 per annum is paid, it being the intent of the members of DEMCO that the board of directors of DEMCO be free from the influence of political officials; or
- (d) is a close relative, as defined in Article IV, Section 4.09, of any board member, or of any employee of DEMCO; or
- (e) is a convicted felon; or
- (f) is a current employee of DEMCO, or has been terminated from employment by DEMCO.

I. Pre-Qualification Period:

A pre-qualification period for director candidates shall be established by the board of directors of DEMCO not less than forty-five (45) days nor more than sixty (60) days prior to the date of the annual meeting. The pre-qualification period established shall be not less than three (3) days nor more than five (5) days.

To pre-qualify for the position of director, a member desiring to seek election to the Board of Directors shall appear in person, at the office of the general manager of DEMCO, during the established pre-qualification period established pursuant to this section. Such member shall obtain, complete, sign and return to DEMCO within the pre-qualification period a Director Eligibility Information and Qualifications Certificate providing the following information concerning the candidate (and spouse, if applicable):

- (a) date of birth
- (b) Louisiana driver's license number
- (c) Social Security number
- (d) Employer
- (e) Job title
- (f) Telephone number
- (g) DEMCO account number

(As amended by the Board of Directors, November 20, 2003)

SECTION 4.05. Nominations.

I. Nominations by Committee. 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 four (4) nor more than seven (7) members who shall be selected from each district in which an election is being held. No member of the board of directors may serve on such committee. The nominating committee shall prepare, or have prepared, and post at the principal office of DEMCO a list of nominations for directors. This list shall be posted at least thirty (30) days prior to the meeting at which directors are to be elected.

II. Nominations by Petition. Notwithstanding the above, fifty (50) members acting together may nominate for the position of director a qualified member from their district. Such nomination shall be made by petition on forms provided by DEMCO to determine eligibility and shall be presented to DEMCO not less than thirty (30) days prior to the meeting at which the directors are to be elected. The Secretary shall post such nominations at the same place where a list of nominations made by a committee is posted. Not less than ten (10) or more than thirty (30) days before the date of the meeting at which directors are to be elected, a written or printed notice stating the time and place of the meeting of the members shall be given to each member personally or by mail. The notice shall contain a statement that directors are to be elected at such meeting. (As amended by the Board of Directors, April 26, 2001)

The Secretary shall mail, with the notice of the meeting at which directors are to be elected, a statement of the number of directors to be elected and the names of the candidates and district to be represented. The notice shall specify nominations by petition, if any. Nominations received during the meeting at which directors are to be elected shall not be permitted.

SECTION 4.06. Removal of Non-Qualified Directors. Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, it shall immediately become incumbent upon the board of directors to remove such director from office. A director charged with any of the foregoing violations shall be informed of the violation at least fourteen (14) days prior to the meeting to be heard in person or by counsel and to present evidence in respect to the violation; and the director of directors reporting the violation shall have the same opportunity. Removal of a director shall require a 2/3 vote of the total board of directors. The decision of the board of directors shall be final.

Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

SECTION 4.07. Vacancies. When a vacancy occurs in the board of directors, the position must be filled within ninety (90) days by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term of director. The new director shall meet all the qualifications for the position.

SECTION 4.08. Compensation. Directors shall not receive any salary for their services as directors, but may receive a fixed sum and expenses of attendance at each meeting of the board of directors and at any meeting of a committee of the board of directors, and shall receive health insurance benefits for themselves and their dependents through DEMCO's health insurance program. No director shall receive compensation for serving DEMCO in any other capacity.

No close relative, as defined by Section 4.09, of a member of the board of directors may directly or indirectly contract with, or be employed by, DEMCO unless approved by the board of directors of DEMCO without dissent.

SECTION 4.09. "Close Relative" Defined. Close relative shall mean the husband or wife, child, mother or father, step-mother or step-father, mother-in-law, father-in-law, sister or brother, brother-in-law, sister-in-law, daughter-in-law, son-in-law, aunt or uncle, niece or nephew, grandparent or grandchild. This provision shall be effective from and after the date of the adoption of these bylaws, it being the intent hereof that close relatives in the employ of DEMCO as of the date of adoption are validly employed.

SECTION 4.10. Waiver of Notice. Any member or director may waive in writing, any notice of a meeting required to be given by these bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such member or director except in case a member or 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 4.11. Director Emeritus. Any person serving on the DEMCO board of directors for three (3) or more consecutive terms shall, upon Separation from the DEMCO board of directors, be considered as a Director Emeritus. As a Director Emeritus, such person shall be entitled to benefits as may be established by DEMCO board policy. The DEMCO board of directors may also provide, by board policy, benefits to those persons serving DEMCO as directors for less than three (3) terms upon their separation from the board of directors.

ARTICLE V – MEETINGS OF DIRECTORS

SECTION 5.01. Regular Meetings for Election of Officers. A regular meeting of the board of directors shall be held without notice other than by this bylaw for the purpose of electing officers, immediately after, and at the same place in East Baton Rouge Parish, as the annual meeting of the members.

SECTION 5.02. Regular Monthly Meeting. A regular meeting of the board of directors shall also be held monthly at such time and place in any parish served by DEMCO as the board of directors may provide by resolution. Such regular meeting may be held without notice other than by such resolution fixing time and place thereof.

SECTION 5.03. Special Meetings. Special meetings of the board of directors may be called by the President or by any three (3) directors and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time, date, and place in East Baton Rouge Parish, for the holding of the meeting.

SECTION 5.04. Notice of Special Director Meetings. Written notice of the time and place in East Baton Rouge Parish, and the purpose of any special meeting of the board of directors shall be delivered not less than five (5) days previous thereto, either physically, by mail, facsimile, or telephone, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the President or the directors calling the meeting, to each director.

SECTION 5.05. Quorum - Regular or Special Meetings. A majority of the board of directors shall constitute a quorum, provided, that if less than such a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time and place of the adjourned meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

ARTICLE VI – OFFICERS

SECTION 6.01. Number. The officers of DEMCO shall be a President, Vice President, Secretary, and Treasurer and any other officers as may be determined by the board of directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.02. Election and Term of Office. The officers shall be elected, by ballot, annually by and from the board of directors at the meeting of the board of directors held directly after the annual meeting of the members. If the election of officers shall not be held at such meeting of the members 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 elected. A vacancy in any office shall be filled by the board of directors for the unexpired portion of the term.

SECTION 6.03. Removal of Officers and Agents by Directors. Any officer or agents elected or appointed by the board of directors may be removed by the board of directors whenever in its judgement the best interests of DEMCO will be served thereby.

SECTION 6.04. President, Powers and Duties. The President shall:

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

SECTION 6.05. Vice President, Powers and Duties. In the absence of the President, or in the event of his inability to act, the Vice President shall perform the duties of the President and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall also perform such other duties provided for in these bylaws, or as assigned to him by the president, or as from time to time may be assigned to him by the board of directors.

SECTION 6.06. Secretary, Powers and Duties. The Secretary shall:

- (a) keep, or cause to be kept, the minutes of the meetings of the members and of the board of directors in one (1) or more books for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws or required by law;
- (c) be custodian of the corporate records and of the seal of DEMCO and affix the seal to all documents, the execution of which on behalf of DEMCO under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keep, or cause to be kept, a register of the names and post office addresses of all members;
- (e) have general charge of the books of DEMCO in which a record of the members is kept;
- (f) keep, or cause to be kept, on file at all times a complete copy of the Articles of Incorporation and bylaws of DEMCO containing all amendments thereto, which copy shall always be open to the inspection of any member; and, at the expense of DEMCO, forward a copy of the bylaws and of the amendments thereto to each member, and;
- (g) in general perform all duties incident to the office of Secretary, as provided in these bylaws, and such other duties as from time to time may be assigned to him by the board of directors.

SECTION 6.07. Treasurer, Power and Duties. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of DEMCO;
- (b) be responsible for the receipt of and the issuance of receipts for monies due and payable to DEMCO from any source whatsoever, and for deposit or investment of all such monies in the name of DEMCO in such financial institutions or in securities as shall be selected in accordance with the provisions of these bylaws; and
- (c) in general perform all duties incident to the office of Treasurer, as provided in these bylaws, and such other duties as from time to time may be assigned to him by the board of directors.

SECTION 6.08. General Manager. The board of directors shall appoint a general manager who may be, but who shall not be required to be, a member of DEMCO. The general manager shall perform such duties and shall exercise such authority vested in him by the board of directors.

SECTION 6.09. Fidelity Bond. The Treasurer and any other officer or agent of DEMCO charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the board of directors shall determine. The board of directors in its discretion may also require any other officer, agent or employee of DEMCO to give bond in such amount and with such surety as it shall determine.

SECTION 6.10. Reports. The officers of DEMCO shall submit at each annual meeting of the members reports covering the business of DEMCO for the previous fiscal year. Such reports shall set forth the condition of DEMCO at the close of such fiscal year.

ARTICLE VII – DISPOSITION OF REVENUES AND RECEIPTS

SECTION 7.01. Revenues and Receipts. Revenues of DEMCO for any fiscal year in excess of the amount thereof necessary:

- (a) to defray expenses of DEMCO and the operation and maintenance of its facilities during such fiscal year;
- (b) to pay interest and principal obligations of DEMCO coming due in such fiscal year;
- (c) to finance, or provide a reserve for the financing of, the construction or acquisition by DEMCO of additional facilities to the extent determined by the board of directors;
- (d) to provide a reserve for the payment of indebtedness of DEMCO maturing more than one (1) year after the date of the occurrence of such indebtedness in an amount not less than the total of the interest and principal payments in respect thereof required to be made during the next fiscal year, and;
- (e) to provide a fund for education in cooperation and for the dissemination of information concerning the effective use of electric energy and other services made available by DEMCO.

Shall, unless otherwise determined by a vote of the board of directors, be distributed by DEMCO to its members a patronage refund prorated in accordance with the patronage of DEMCO by the respective members paid for during such fiscal year. Nothing herein contained shall be constructed to prohibit the payment by DEMCO of all or any part of its indebtedness prior to the date when the same shall become due.

ARTICLE VIII – DISPOSITION OF PROPERTY

SECTION 8.01. Disposition of Property. DEMCO 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 placed on the agenda by a 2/3 majority of the board of directors and is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than a majority of all members of DEMCO, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of directors of DEMCO, 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 DEMCO, 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 DEMCO to the United States of America or any instrumentality or agency thereof, or to any bank, insurance company, or other lending institution.

ARTICLE IX – SEAL

SECTION 9.01. Seal. The corporate seal of DEMCO shall be in the form of a circle and shall have inscribed thereon the name of DEMCO and the words, "Corporate Seal, Dixie Electric Membership Corporation, State of Louisiana".

ARTICLE X – FINANCIAL TRANSACTION

SECTION 10.01. Contracts. Except as otherwise provided in these bylaws, 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 of and on behalf of DEMCO, and such authority may be general or confined to specific instances.

SECTION 10.02. Checks, Drafts, or Orders for Payment. Except as otherwise provided by law of in these bylaws, all checks, drafts, or other orders for the payment of money, and all notes, bonds or other evidence of indebtedness issued in the name of DEMCO shall be signed by such officer or officers, agent or agents, employee or employees of DEMCO and in such manner as shall from time to time be determined by resolution of the board of directors.

SECTION 10.03. Deposits. All funds of DEMCO shall be deposited from time to time to the credit of DEMCO in such financial institutions or in such securities as the board of directors may select.

SECTION 10.04. Change in Rates. The board of directors shall approve any proposed change in rates or service charges and written notice shall be given to any regulatory agency, as required, for approval and to the Administrator of the U.S. Department of Agriculture Rural Utility Service as provided by law and prior to the implementation of any proposed changes.

SECTION 10.05. Fiscal Year. The fiscal year for DEMCO shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

GENERAL MISCELLANEOUS

ARTICLE XI

SECTION 11.01. Membership and other Organizations. DEMCO shall have the right upon the approval of the board of directors, to become a member of any organization, business, civic, or nonprofit organization, or any organization engaged in rural electrification, etc., that will benefit DEMCO upon the sole authority of the board of directors.

SECTION 11.02. Rules and Regulations. The board of directors shall have the power to make and adopt such rules and regulations, including, but not limited to those rules and regulations set forth in DEMCO's Consumer Handbook, so long as such rules and regulations are not inconsistent with the law, the articles of Incorporation or these bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of DEMCO. Members agree to be bound, and to observe and comply with such rules and regulations, including those contained in DEMCO's Consumer Handbook. (As amended by the Board of Directors, November 20, 2003)

SECTION 11.03. Accounting System and Reports. The board of directors shall cause to be established and maintained a complete accounting system which shall conform to the law and to all contractual obligations of DEMCO. All accounts of DEMCO shall be examined by a committee of the directors appointed by 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 after the close of each fiscal year cause to be made a full and complete audit of the accounts, books, and financial condition of DEMCO as of the end of such fiscal year. Such reports shall be submitted to the members at the annual meeting next following the close of such fiscal year.

SECTION 11.04. Bylaw Interpretation. The board of directors of DEMCO shall be responsible for the interpretation and application of these bylaws.

SECTION 11.05. Protection Clause. Should any provision of these bylaws be found by a Court of competent jurisdiction to be unenforceable or contrary to the law or public policy, such a finding shall not affect any other provisions of the bylaws or any actions taken by the board of directors in reliance upon such provisions of the bylaws. It is expressly understood that by adopting this bylaw, the members expressly ratify all actions taken by the board of directors pursuant to the bylaws as they may be amended from time to time. (As adopted by the members April 4, 1998).

SECTION 11.06. DEMCO Member Information. DEMCO maintains, on behalf of its members, information concerning the members, including but not limited to the name, address, telephone number and other material of a like or similar nature necessary to provide services to the members ("Member Information"). DEMCO members have a reasonable expectation of privacy with respect to this Member Information and therefore no Member Information shall be released, provided, given, sold, or otherwise transmitted to any party except as specifically set forth below.

DEMCO members recognize that DEMCO has created or participates in several subsidiary organizations, the purpose of which is to provide value added services and benefits to DEMCO's members. DEMCO members therefore authorize DEMCO to provide the member information to DEMCO subsidiaries subject to appropriate confidentiality agreements and contractual relations. DEMCO members further recognize that duly qualified candidates for election to the Board of Directors require a list of members residing in the district from which the duly qualified candidate seeks election in order to solicit support from his or her candidacy. Accordingly, DEMCO members authorize DEMCO to provide duly qualified candidates for election to the Board of Directors with a list of members limited to those members residing in the district from which said duly qualified candidate seeks election. (As amended by the Board of Directors, February 17, 2005)

SECTION 11.07. Officer and Director Indemnification. DEMCO shall indemnify and hold its officers and directors harmless from any and all liability, of whatever type or nature, arising out of or related to the performance of the duties assigned to or undertaken by such officers and directors while acting within the course and scope of the position of officer and director of DEMCO. Such indemnification shall include, but not be limited to, attorney's fees, court costs and awards of damages or settlement of claims. Indemnification shall not be provided to any officer or director found to have incurred liability while acting outside the course and scope of the authority granted to such officer or director by DEMCO.

ARTICLE XII - AMENDMENTS

SECTION 12.01. Bylaw Amendments. These bylaws may be amended at any meeting of the board of directors by a two-thirds vote. Notice of such meeting, containing a copy of the proposed amendment(s), shall be given not less than 10, nor more than 90 days prior to the meeting; provided, however, that the board of directors shall not have the power to alter, amend or repeal provisions of these bylaws or adopt new bylaw provisions directly relating to the election of the board of directors.

Any bylaw provision adopted by the board of directors pursuant to this article may be altered, amended or repealed, and new provisions adopted by the members present at a meeting at which a quorum is present; provided, notice of such meeting containing a copy of the proposed amendment had been given. The members may prescribe that any bylaw provision adopted by them shall not be altered, amended or repealed by the board of directors.

Provisions of this section shall not apply with respect to Section 8.01 of these bylaws concerning the disposition of cooperative property. Additionally, the bylaws may be amended by the members at any regular or special meeting of the members called and conducted in accordance with these bylaws.

Such bylaw revisions offered by the members pursuant to this section may be placed upon the agenda for the meeting at which such proposed amendments are to be considered by a resolution of ten percent (10%) or more of all members, and notice thereof shall be provided as set forth in Article III, Section 3.03, Notice of Member Meeting. Said member resolution must be received at the office of the general manager of DEMCO not less than 45 days, not counting the date of the meeting, prior to the date of the meeting of the members at which such bylaw amendments are to be considered." (As amended by the members April 4, 1998)

ARTICLE XIII - RULES OF ORDER

SECTION 13.01. Robert's Rules of Order. Parliamentary procedure at all meetings of the members, of the board of directors, or any committee provided for in these bylaws and of any other committee of the members or board of directors which may vary 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, these bylaws, or DEMCO's Article of Incorporation.

DEFINITIONS

Contribution in Aid of Construction: a payment in cash or an equivalent contribution in property or service to DEMCO by a member in partial or full payment for the extension of DEMCO's facilities to the member. A supplemental contract for service may also be required.

DEMCO: Dixie Electric Membership Corporation.

Director: a member of DEMCO that has been elected or appointed to the board of directors.

Dissolution: the termination and liquidation of DEMCO.

Eligibility: as used in Section 4.05, Part II, shall mean that the member meets all qualifications for the position of director as provided in Section 4.04.

Facilities Extension Deposit: a cash payment, letter of credit, personal guarantee, or a surety bond in an amount specified by DEMCO for the extension of DEMCO's facilities where a contribution in aid of construction is not required. A supplemental contract for service may also be required.

Joint Membership: as used in these bylaws shall be deemed to include a husband and wife and any provisions relating to the rights and liabilities of membership shall apply equally with respect to a husband and wife, without regard to any separate property agreements or any other like or similar agreements between married persons.

Member: any person as defined by Louisiana Revised Statute 12:402(C).

Membership Fee: a fixed sum established by the board of directors which, together with any service connection fee, security deposit, facilities extension deposit, contribution in aid of construction, or any combination thereof, shall entitle the member to one service connection.

Patronage: capital provided by the members to DEMCO.

Rate Schedules: any and all retail or wholesale rates and rate riders established by the board of directors for the purchase of electric power that have been approved by federal or state regulatory agencies for implementation.

Reports: as used in Section 6.10 and 11.03 shall include a Balance Sheet and a Revenue and Expense Statement.

Rules and Regulations: all rules and regulations required within these bylaws, DEMCO's Consumer Handbook, DEMCO's Board Policy Manual, and any other rules or regulations established by the board of directors from time to time.

Security Deposit: an amount paid by the member, and held by DEMCO, as security for payment of future bills for electric service; the security deposit amount shall be determined by the board of directors and may be in the form of a cash payment, letter of credit, personal guarantee, or a surety bond.

Service Connection Fee: a fee established by the board of directors to defray the expense associated with the connection of DEMCO's facilities to the member's facilities.

Supplemental Contract: a written contract by and between DEMCO and the member outlining specific terms and conditions for electric service with regards to availability of service, capacity, contributions in aid of construction, facility charges, facility extension deposits, security deposits, and the length of the contract.

For the reading of these bylaws, where the words "he", "him", or "his", are used, it shall mean either the male or female gender.

BOARD OF DIRECTORS
District Maps

DISTRICT 1: all consumers-members in Ascension Parish

DISTRICT 2: see Map “A”

DISTRICT 3: see Map “A”

DISTRICT 4: see Map “A”

DISTRICT 5: see Map “B”

DISTRICT 6: see Map “B”

DISTRICT 7: see Map “C”

DISTRICT 8: see Map “C”

DISTRICT 9: see Map “C”

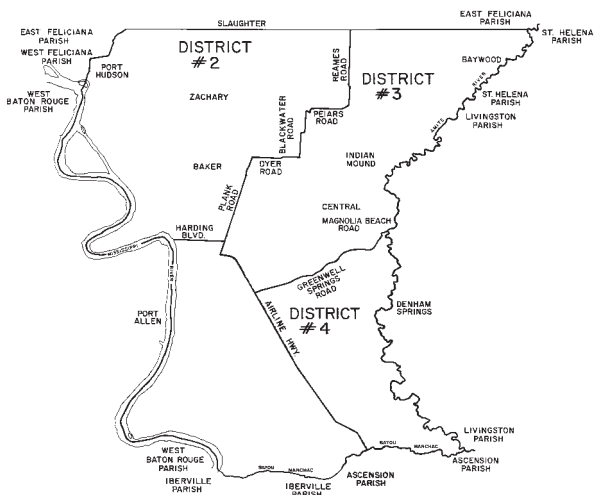
DISTRICT 10: see Map “D”

DISTRICT 11: see Map “D”

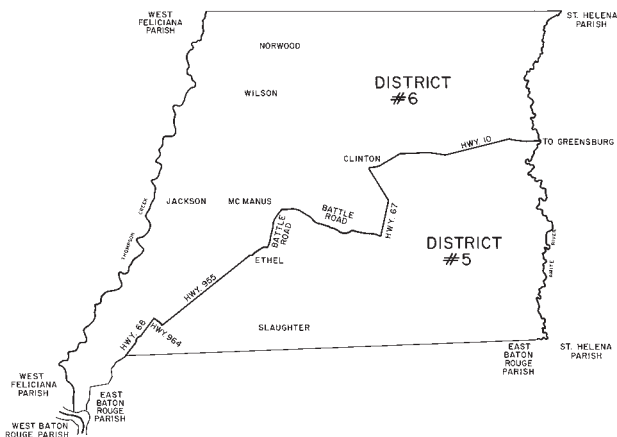
DISTRICT 12: all consumers-members in Tangipahoa Parish

DISTRICT 13: all consumers-members in West Feliciana Parish

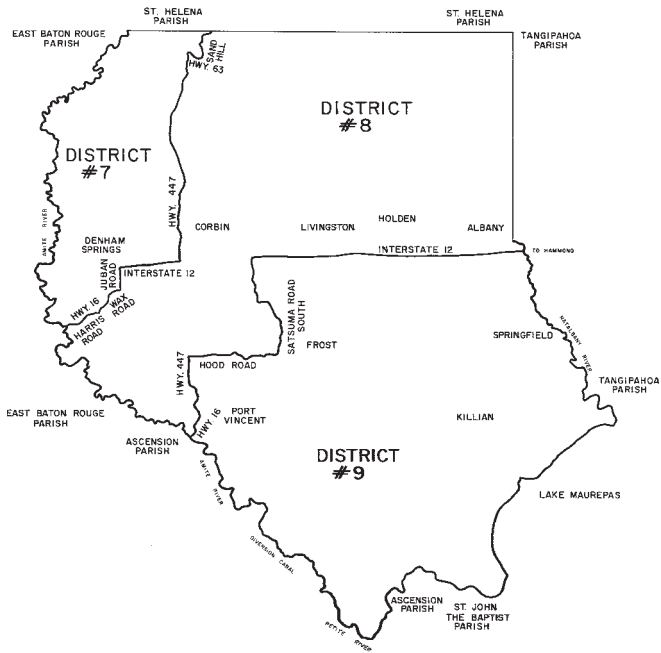
EAST BATON ROUGE PARISH MAP "A"



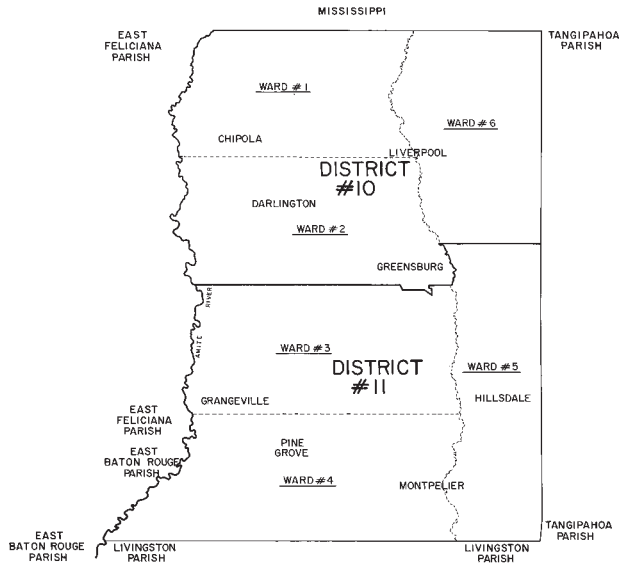
EAST FELICIANA PARISH MAP "B"



LIVINGSTON PARISH
MAP “C”



ST. HELENA PARISH
MAP “D”



Notes

Notes

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