

Member Handbook

including Bylaws and Survey



Clay Electric Cooperative, Inc.

A Touchstone Energy® Cooperative 



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WELCOME TO CLAY ELECTRIC

I want to welcome you as a new member of Clay Electric Cooperative. This handbook provides you with lots of useful information about Clay Electric, plus it contains the cooperative's bylaws. Our bylaws provide guidance to the co-op's board of trustees in many matters, including establishing the responsibilities of the cooperative and its members.

Clay Electric offers competitive rates, many member services and benefits, and has long been known for its excellent service.

As a not-for-profit company, the co-op also has a member-elected board of trustees and has refunded Capital Credits (margins) for 50 consecutive years. Please consider joining us for our Annual Meeting in March or April.

We have six district offices located around our North Florida service area, staffed by employees who will provide courteous and professional service. Many of our employees are involved in the communities where they live, and they're active in civic, sports and church organizations.

Again, I welcome you as a new member of Clay Electric. We look forward to serving you!

Sincerely,

Richard K. (Ricky) Davis
General Manager & CEO

CONTACTING YOUR CO-OP

Clay Electric members can conduct virtually all business with their cooperative by phone, online or through the app. Simply call your local district office telephone number or the toll-free number printed on your bill. You can also visit us at ClayElectric.com.

Of course, if you want to drop by one of the co-op's six district offices, that's fine too. Our offices are centrally located throughout the 15-county North Florida service area to assist you and provide local service to you.

Main toll-free line: 1-800-224-4917
Pay by phone: 1-844-936-2704

Gainesville district.....Tele. (352) 372-8543
11530 NW 39th Ave.
Gainesville, FL 32606-4905

Keystone Heights district.....Tele. (352) 473-4917
P. O. Box 308; 65 SW Citrus Ave.
Keystone Heights, FL 32656-0308

Lake City districtTele. (386) 752-7447
1797 SW SR 47
Lake City, FL 32025-2935

Orange Park district.....Tele. (904) 272-2456
734 Blanding Blvd.
Orange Park, FL 32065-5798

Palatka districtTele. (386) 328-1432
300 N. State Road 19
Palatka, FL 32177-2498

Salt Springs district.....Tele. (352) 685-2111
P.O. Box 5500; 25180 E. County Road 316
Salt Springs, FL 32134-5500

Vegetation ManagementTele. (800) 511-5998

**Report power outages through
MyClayElectric.com or call 1-888-434-9844**

For more information on power outages, see page 17.

CLAY ELECTRIC: A MODERN ELECTRIC COOPERATIVE



Mission Statement

To provide members safe, reliable and affordable electricity with excellent customer service.

Vision Statement

To be the trusted energy provider that is prepared to embrace opportunities in a changing utility industry while improving the communities we serve.

Purpose Statement

To improve the quality of life of our members by delivering safe and reliable electricity while strengthening the communities we serve.

There are three major types of electric utilities that serve customers in North Florida: (1) Electric cooperatives (like Clay Electric Co-op); (2) Investor-owned utilities (like Florida Power & Light); and (3) Municipal utilities (like JEA and Gainesville Regional Utilities).

Clay Electric was founded in 1937 by local citizens who wanted to bring the benefits of electricity to their rural homes and communities. Since then, Clay has grown into one of the nation's largest electric cooperatives. Clay uses the most modern equipment and technology to serve its growing membership. The co-op maintains six district offices within its service area in order to make it easier for members to use the services of the co-op, and to respond quickly to members'

requests for service.

Today, Clay Electric has approximately 190,000 member-owned accounts, and its service area stretches into 15 North Florida counties (Alachua, Baker, Bradford, Clay, Columbia, Duval, Flagler, Gilchrist, Lake, Levy, Marion, Putnam, Suwannee, Union and Volusia). The co-op has about 14,000 miles of distribution and transmission lines. The co-op employs more than 485 professionals in a variety of jobs, with an average length of service of about 15 years.

Clay Electric and eight other co-ops own the Tampa-based generation and transmission cooperative Seminole Electric, which provides its members with power generated by coal, natural gas and renewable sources. Seminole Electric has one of the largest renewable energy portfolios in Florida. Seminole Electric has shown a commitment to growing its renewables portfolio in a cost-effective way that will help hold the line on member costs.

Clay Electric enjoys being part of the communities it serves. Its employees are involved in many projects and organizations, including Making Strides Against Cancer, Rotary Club, Our Country Day and the Boy Scouts of America. In 2012, Clay Electric implemented a Social Responsibility Program to allocate funds for programs championed by employees. The co-op launched Operation Round Up, a program in which members' bills are rounded up to the nearest dollar to support community organizations, in 2016.

Clay Electric is a not-for-profit and democratically-controlled utility which provides excellent service and competitive electric rates for you, our members!



The **7** Co-op Principles

Clay Electric is a cooperative, which means it abides by the following principles. You'll find examples throughout this book.

1

Voluntary & Open Membership

Everyone who has electric service through Clay Electric is a member, and is entitled to all the benefits of being a member! (See page 6)

2

Democratic Member Control

Every member has the right to vote in elections for Clay Electric's board of trustees and bylaw revisions. The trustees represent the members when voting on policies for the co-op. (See page 7)

3

Members' Economic Participation

Clay Electric's goal is to return Capital Credits to the members each year. Capital Credits are calculated according to how long you have been a member and how much electricity you used. (See page 6)

4

Autonomy & Independence

Clay Electric is owned and controlled by its members, and no one else.

5

Education, Training & Information

Clay Electric provides education and training for both employees and members. Free energy surveys and The Youth Tour program are part of this service. (See pages 10, 11, 26 and 27)

6

Cooperation Among Cooperatives

Clay Electric joins other cooperatives to make the world a better place. In the past few years, Clay Electric has been called upon to send crews to help with hurricane restoration efforts across the South.

7

Concern for Community

Clay Electric supports many local efforts in all its communities through employee participation, the Social Responsibility Program, and Operation Round Up. (See pages 11, 12 and 14)

MEMBER OWNERSHIP



As a member of Clay Electric, you are also an owner because Clay Electric belongs to those it serves. Customers are referred to as “members” because a \$5 membership fee is paid by everyone who receives service from Clay Electric.

As an owner, you are allocated Capital Credits (your portion of any margins remaining at the end of each year) and entitled to voting rights. That’s also why a copy of the co-op’s bylaws are included in this member handbook. You will find more information about Capital Credits, the co-op’s Board of Trustees and the Annual Meeting in this handbook.

Competitive Rates

Clay Electric’s residential, commercial and industrial rates are very competitive with other Florida electric utilities. Surveys indicate the residential cost for 1,000 kilowatt hours (kWh) is lower than most of the other utilities in the state.

Residential rate schedules are available at all Clay Electric office locations and online at ClayElectric.com.

Refund of Margins

As a not-for-profit electric cooperative, a pro-rata share of each year’s margin is allocated to the accounts of members who purchased electricity during the year. The amount assigned to the accounts of members is referred to as “Capital Credits.”



Once a year, you will receive a notice informing you of the amount of Capital Credits assigned to you for the previous year. The amount is subject to refund at a later date. Unlike dividends of an investor-owned utility which are paid only to the shareholders, capital credits are a benefit to all cooperative members.

In 2023, approximately \$12 million was refunded to members and former members who received service anytime between 1993 and 2021.

You should always inform your co-op of address changes if

you move off the lines of Clay Electric so we will know where to send your future Capital Credits refunds.

Elected Board of Trustees

2

The nine-person Board of Trustees is made up of people just like you. They are members of Clay Electric too.

The board meets monthly and is responsible for establishing the overall policies of the co-op.

Board of Trustee members serve three-year terms, and each board member represents one trustee district within the co-op's service area. Their terms are staggered in such a way that only three are up for election each year.

Annually, members within the three applicable districts are notified of the time and location of a trustee district meeting for the purpose of nominating candidates. The candidates are then elected at-large by all members just before the co-op's Annual Meeting in accordance with our bylaws.

Annual Meeting

The co-op's Annual Meeting is held each year in either March or April. Members of Clay Electric are entitled to attend the Annual Meeting gathering. The official notice of the Annual Meeting is mailed in advance to all members. The meeting features reports by the management and board, election results and door prizes.

2



MEMBER SERVICES

Personalized Service

Clay Electric has excelled in personalized service since the co-op was organized in 1937. Clay Electric employees live and work in the communities that Clay Electric serves. Members often get to know many Clay Electric employees through their participation in recreation associations, civic groups and churches.

In addition to community involvement, employees take great pride in their work and they respond quickly and efficiently in restoring power. That's important!

MyClayElectric

Clay Electric members can view bill statements, current charges, account balances and billing history; make payments; receive notifications; report outages; set up third party notification; and view energy usage data through the online account information system at MyClayElectric.com. To access, members must register through the online dashboard or the smartphone app.

Call Center

Calls to the cooperative are routinely answered by Call Center Representatives in the Call Center located in Keystone Heights, even though you may be dialing a local number.



Customer service representatives are trained to meet your service needs and have access to account records.

After hours and during weekends and holidays, your phone call is handled by an automated phone answering system. You may obtain account information or make a payment using this system. Information is also available online at ClayElectric.com or through the MyClayElectric web portal and mobile app.

Auto Pay

The Auto Pay program authorizes Clay Electric to deduct your monthly electric bill payments from your bank account on the day it is due.

The advantage of this plan is that your bill will always be paid on time. There will be no worries about the mail or driving to the district office to make a payment; no more checks to write or stamps to purchase; no worries when going on vacation.

PrePaid

PrePaid gives members the power to pay for electricity on their own schedules by allowing them to purchase electricity on a pay-as-you-go basis without deposits, late fees or reconnection fees.

A new member setting up service for the first time will pay a \$5 membership fee, a \$30 service connect fee, and \$50 toward the initial energy purchase. (New construction accounts will pay any applicable new service fees along with the \$50 toward initial energy purchase). For existing members, the existing deposit (if applicable) will be applied toward any outstanding balance owed, with the remaining credit (if applicable) applied to the PrePaid account.

Members can monitor their credit balance and add funds as needed. As little as \$10 at a time can be put on the account after the initial set-up. If the account is disconnected because the balance runs out, the member will be required to add \$25 to the balance. (If the account has a prepaid arrangement, the requirement is \$25 + the amount owed/25 percent of prepaid arrangement to get reconnected.)

You can sign up with a Member Service Representative at any time by contacting your local Clay Electric office.

Paperless Billing

Paperless billing allows members to be notified via email when their bill is available. Participants in paperless billing will have an emailed notification that their bill is available and will not receive a “paper” electric bill statement in the mail. To sign up or discontinue participation in paperless billing, members should visit MyClayElectric.com.

Energy Advice

5

Members interested in receiving tips for efficient electricity usage are welcome to contact the co-op for energy advice. Energy-related publications are also available free of charge at district offices and online at ClayElectric.com. The most popular is a booklet entitled “Using Electricity Wisely.”

Energy Loans

Loans are made available to help members finance energy efficient improvements to their homes. Members can borrow up to \$10,000 for such improvements as high efficiency heat pumps, insulation and certain high efficiency appliances such as water heaters and generators, as well as solar thermal water heaters and solar pool heaters, and Energy Star-rated metal roofing. Basic qualifications for an energy loan include a good credit history and a good payment record with Clay Electric. An energy survey is also required.



Energy \$mart Rebates

Through Energy \$mart rebates, members making certain energy upgrades may receive hundreds of dollars back. The rebates apply to ceiling insulation, and installation of high efficiency heat pumps, solar water heating systems, window film, solar shade screens, spray foam insulation, heat pump water heaters and heat recovery units (HRUs) at their primary residence served by Clay Electric. A member may collect multiple rebates and may use the rebates in conjunction with an energy loan available through the co-op. The specific details of the program are available to members at their local district office or online at ClayElectric.com.

Energy Surveys



A starting point in using energy efficiently in a home is the identification of problem areas. An energy survey may help identify these areas.

At a member's request and by appointment, an experienced energy efficiency analyst will visit a home to perform a walk-through survey. Observations about physical characteristics of your home and your family's energy usage will form the basis of cost-reducing recommendations.

Project Share

You can help others keep their lights on when times are tough by participating in the Project Share Program. Participants may designate a tax-deductible amount to be added to their electric bill each month or send in a one-time donation to Project Share.



The Salvation Army handles the distribution of the funds according to the financial need criteria established by the Salvation Army. The funds are only for the benefit of Clay Electric members.

Outdoor Lighting

Outdoor lighting that automatically turns on at dusk and off at dawn is available in varying wattages and in either general

area lighting or directional (flood) lighting. There is a monthly rental fee for these lights. This fee includes energy used plus all maintenance and repair. If needed, an outdoor light pole can be installed for a fee.

If you are aware of an inoperative or malfunctioning outdoor light on Clay Electric Cooperative's lines, call 1-800-224-4917 to report the problem, or login to your MyClayElectric account to submit the issue.

Preferred Due Date Plan

The Preferred Due Date Plan is a special payment plan which provides participating members control over when their electric bills are due. The Plan takes into consideration that members may receive Social Security, retirement or disability checks on a date that doesn't always coincide with the due date of their current electric bills. Normal late fees and collection policies apply.

Co-op Connections Card

7

The Co-op Connections Card is a national discount card program that is free to Clay Electric members. It offers 10-60 percent discounts on prescription drugs at participating pharmacies, as well as special discounts and deals from local and national businesses, health provider discounts and more. Members may email us at connections@clayelectric.com to obtain a card. A list of pharmacies and businesses that accept the card is available on our website.



Surge Protection

High quality surge protection equipment is available through the co-op's surge protection program. This equipment will help protect sensitive electronic equipment from power surges caused by events triggered from both outside and inside the home.

Third Party Notification

Third party notification service can help prevent an unexpected disconnection of your electric service or the electric service of someone close to you who needs special assistance.

In your MyClayElectric account (in the app or on a desktop) you can select More, then Settings, then Manage Notifications. Then, select Billing, and then DQ2 Primary Notice and enter the email or phone number of the person you would like to receive notifications about your electricity being disconnected for nonpayment.

This plan is intended to help those who are sick, elderly or away from home for extended periods. The designated third party is under no obligation to pay the bill or to assume responsibility for its payment. This person is notified so that he or she may assist the member as needed.

Medically Essential Service

Members who are dependent upon electric-powered life-support equipment should consider this service because of two important benefits:

First, in the event of a planned power outage, the co-op will attempt to provide written or verbal notification of the service interruption.

Second, should your bill become delinquent, Clay Electric will notify you by phone or in the field, personal contact or with written notification at the residence, 24 hours prior to disconnecting the service. If field contact is made, it shall be made before 4 p.m. of the day before the scheduled disconnection.

Participation in this service does not exempt members from paying their bills, nor does it guarantee uninterrupted service or advanced warning of unplanned outages.

Participants are reminded to take precautions and have any backup equipment or power supply they might need in the event of a planned or unplanned outage. Clay Electric will restore service as soon as feasible, but cannot assure any preferential treatment in this process.

To participate, call or visit your district office to receive a letter describing the notification service in detail as well as the Physician's Certification form to be completed. Upon return of the form, you will be enrolled in the program for one year. The Physician's Certification form will need to be completed annually to continue enrollment.

Operation Round Up

7

Clay Electric implemented Operation Round Up in October 2016, a program that generates and collects charitable donations that are used to benefit organizations in the community. The program "rounds up" a member's bill to the nearest dollar, and that tax-deductible amount goes directly to the Clay Electric Foundation. This foundation is governed by a volunteer board of CEC members selected from the 15 counties in Clay's service area. All funds stay in the community to benefit Clay Electric members. Through 2023, the program distributed \$6.37 million to community organizations.

Each month, the electric bills of participating members are rounded up – increased to the next dollar amount. So, if your bill is \$119.99, it is rounded up to \$120, and if your bill is \$175.53, it is rounded up to \$176. The average amount any given member donates is just \$0.50 per month, with the maximum being \$11.88 per year.



While the program is voluntary, members are automatically enrolled and need to opt out in order to not participate.

YOUR ELECTRIC SERVICE

A Touchstone Energy® Cooperative 

Clay Electric joined the Touchstone Energy program in 2002. Touchstone Energy is a brand identity program which works to distinguish electric co-ops as providing high-quality and responsive electric service while also being involved in and dedicated to the communities they serve. Touchstone also promotes the distinctive benefits of receiving service from an electric co-op, including member-ownership, receiving electric service at cost (because co-ops are not-for-profit), and a commitment to high standards of service. Touchstone cooperatives are also seen as providing excellent service as shown by a recent survey by the American Customer Satisfaction Index (ACSI). The ACSI measures consumer satisfaction across 43 industries and more than 200 companies. In 2023, Touchstone notched a score of 85.1 out of a possible 100, placing co-ops well ahead of the utility industry average of 72.



Seminole Electric Cooperative

Clay Electric's wholesale power supplier is Seminole Electric Cooperative (Seminole). Headquartered in Tampa, Fla., Seminole is one of the largest generation and transmission cooperatives in the country. Seminole's purpose is to provide essential wholesale services to nine member cooperatives, including Clay Electric, through a balanced, diversified portfolio of safe, affordable, reliable, and responsible energy resources. Approximately 2 million people and businesses in parts of 42 Florida counties rely on the member cooperatives Seminole serves, for electricity.

Seminole works to maintain a balanced and diversified generation portfolio that includes owned facilities, as well as capacity and energy provided through short-, medium-, and long-term purchased power agreements with other utilities,

independent power producers, and government entities. Seminole's portfolio reflects a mix of technologies and fuel types, including renewable energy*. The diversity in Seminole's generation mix reduces exposure to changing market conditions, helping keep rates competitive.

Seminole's primary resources include the Seminole Generating Station (SGS) and the Seminole Combined Cycle Facility (SCCF) in Palatka, Florida, the Richard J. Midulla Generating Station (MGS) in Hardee County, Florida, and the Cooperative Solar facility, located on property adjacent to MGS.

SGS went into commercial operation in 1984. Consisting of one approximately 736-megawatt coal-fired generating unit, SGS is located on 2,000 acres in Putnam County, just north of Palatka and about 60 miles south of Jacksonville.

SGS uses modern technology for environmental protection, including more than \$530 million invested in environmental control equipment. Seminole has constructed a new natural gas facility, the Seminole Combined Cycle Facility (SCCF), located directly adjacent to the existing SGS site. SCCF has a generating capacity of approximately 1,134 megawatts.

MGS, located in Hardee County, is an 835-megawatt facility that uses natural gas as its primary fuel. The station's 500-megawatt combined-cycle unit began commercial operation in 2002, with five 62-megawatt of fast-start peakers added in 2006.

In 2017, Seminole's first Cooperative Solar project began commercial operation. Located next to MGS, Cooperative Solar is a 2.2-megawatt solar array comprising more than 8,000 solar photovoltaic (PV) panels. In addition to Cooperative Solar, Seminole has contracted with Florida Renewable Partners, LLC to build four new photovoltaic solar sites which are expected to generate 298 megawatts, or 74.5 megawatts per facility - enough to power approximately 60,000 homes. These new solar facilities are expected to be commercially operational in 2024.

*Seminole Electric Cooperative may sell a portion of the renewable energy credits associated with its renewable generation to third parties. The third parties can use the credits to meet mandatory or voluntary renewable requirements.



Reporting a Power Outage

Year after year, the co-op is among the nation's leaders in providing dependable service. When a power outage occurs, it is usually caused by adverse weather conditions. Other typical causes are vehicle accidents and animals that have contacted energized equipment.

Prior to reporting a power outage at your home, you may want to check your home to be sure the outage was not caused by a blown fuse or tripped circuit breaker. Also, check with your neighbors to see if they're experiencing an outage.

If you determine there is a power outage, you can report your outage online through the MyClayElectric mobile app or online dashboard. You can also sign up in MyClayElectric to receive alerts by email or text message when an outage occurs.

You can report damage on Clay Electric's lines through MyClayElectric, or by phone at **1-888-434-9844**. Either way, you'll find reporting an outage to be a quick and easy process. Downed power lines are potentially hazardous. Stay clear of any downed power line and any object it is in contact with, such as a tree limb, fence, debris, or even an injured person; also, warn others to stay clear.

To report a life-threatening situation, please call 911.

Restoring Power

Be assured your co-op will restore electric service as quickly and safely as possible.

In the event of a major outage, the co-op follows an emergency plan which allows power to be restored to the most members as quickly as possible. First, power is restored

to substations. Next, main feeder circuits are brought back on line. Then, work crews repair secondary lines and tap lines.

If you use a portable generator during an outage, do not connect it to your home's wiring system unless you have a transfer switch installed by a licensed electrician. Without the use of such a switch, any generator connected to the home's wiring system could create a very dangerous situation for repair crews because voltage could be back-fed onto the power lines. In the absence of a transfer switch, it is recommended that individual appliances be plugged into the generator without the generator being connected to any of the home's wiring.

To aid members in coping with power outages, Clay Electric is offering the GenerLink emergency transfer switch. The GenerLink switch provides a quick, safe and easy way for you to connect portable generators to your home's electric system. To request a GenerLink switch, or for more information, please contact us at energyservices@clayelectric.com.

Call Before You Dig...Dial 811

Call before you dig to protect yourself and underground utilities. To avoid accidental contact with underground electric power lines, natural gas lines, communications lines and other utility services, state law requires you to call 811 before you dig.

When you call, representatives from Clay Electric and other applicable utilities will either come to your site to locate underground equipment, or call to inform you that no conflict exists with the dig site.



Your Electric Bill

Your electric bill has a wealth of information. The sample on the next page will help you identify all the important components of your electric service.

Electric Bill Terminology


What is the Multiplier? Most residential accounts have a "1" printed in multiplier box on the bill to indicate that the meter reading (kWh) does not have to be multiplied by another number to determine the total amount of kWh used. A number other than "1" indicates that the difference between the present reading and previous reading must be multiplied by the printed number to determine the amount of kWh used.

What is the Access Charge? The Access Charge is the component of a member's bill that recovers some of the fixed costs that come directly from serving an individual member, regardless of how much electricity is used. These costs include purchasing and maintaining the infrastructure (poles, wire, meters, transformers, substations and equipment) of more than 14,000 miles of distribution and transmission lines running through 15 counties to deliver electricity to homes or businesses.

Every electric utility has an Access Charge on their monthly bill to help them recover the cost of building and maintaining a distribution system. The most important factor that determines how much a utility charges monthly for this Access Charge is the number of customers served per mile of line. Typically, the more customers a utility has, the lower their Access Charge, and this is because the utility can spread its fixed costs among a larger group of customers.

What is the Power Cost Adjustment? The power cost adjustment reflects the portion of the co-op's cost of power not included in the base rate. The total adjustment on the bill is determined by multiplying the adjustment factor by the number of kWh used.

SAMPLE ELECTRIC BILL



Visit us online at ClayElectric.com
Toll Free: (800)-224-4917

Customer Name **B** Willie Wirehand
Account # **C** 0000000
Trustee District: 07
Statement Date: 03/23/2021
Current Bill Due Date: 04/13/2021

Previous Balance \$236.00
Payment Received 02/22/21 -\$236.00
Current Charges Due 04/13/21 \$236.00

Important Messages

Total Amount Due

\$236.00

Due Date: 04/13/2021

D Welcome to your new bill statement! We've made improvements to our online account and billing platforms to give you a better member experience. Visit MyClayElectric.com or download our new mobile app today!

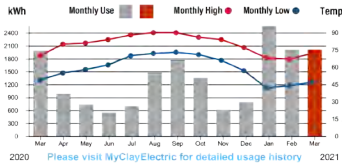
F Service Address: 555 Roadway Ave.

Rate Schedule Description	Meter No.	Reading Dates From To	Readings Previous	Present	Multiplier	kWh Usage
G RESIDENTIAL		01/29/21 02/28/21	10768	12784	1	2,016 H

Current Service Detail


Access Charge	1,000 kWh @ 0.0725	\$72.50
Energy Charge	1,016 kWh @ 0.0913	\$92.76
Power Cost Adjustment	2,016 kWh @ 0.0164	\$33.06
Inclv. Outdoor Light-Small (Qty: 1)		\$7.10
Light PGA		\$0.38
FLA Gross Receipts Tax		\$5.86
Florida State Sales Tax		\$0.53
Columbia County Sales Tax		\$0.08
Operation Round Up		\$0.73
Total Current Charges for this Location		\$236.00

Please visit MyClayElectric for detailed usage history




This Month	Last Month	This Month Last Year	Avg Daily High
L 2,016 kWh 30 Days Avg kWh \$7	M 2,016 kWh 29 Days Avg kWh 7c	N 1,981 kWh 30 Days Avg kWh 6c	72°F

KEEP SEND Billings not paid in full will incur a late charge of \$5.00 or 5% of the delinquent amount (whichever is greater) that will be added to your account.



PO Box 308
Keystone Heights, FL 32656-0308


PAY YOUR BILL 24/7
ONLINE: Check or credit/debit card at ClayElectric.com or download the mobile app.
PHONE: (800) 224-4917




Willie Wirehand
555 Roadway Ave.
Lake City, FL 32025

O Account Number 0000000
Current Charges Due 04/13/21 \$236.00
Total Amount Due \$236.00

Checks must be in U.S. funds and drawn on a U.S. bank.



CLAY ELECTRIC COOPERATIVE
PO BOX 308
KEYSTONE HEIGHTS, FL 32656-0308



Please note: The intent of this sample bill statement is to explain various components of an electric bill statement. Current rates and various charges may not be the same as presented in this sample.

- A** Our web address and toll-free phone number
- B** Member's name as it appears on account records
- C** Account number
- D** Message area with specific or general information relating to the account

- E Total amount due and date of scheduled bank draft
- F The location of the account
- G Account type which determines billing rate
- H Number of kilowatt hours used during the billing period
- I List of charges for the energy you used along with the basic charge for service (access charge), power cost adjustment and state and local taxes as well as any charges for surge protection, outdoor lighting or energy conservation loan payments
- J The portion of the total due that is governmental taxes and fees not imposed by Clay Electric
- K Amount your bill is rounded up for Operation Round Up
- L Number of days included in the current billing
- M Kilowatt hour consumption for the previous month of the same year of the account
- N Kilowatt hour consumption for the same month of the previous year of the account
- O Current charges and payment due date

Payment Options

Clay Electric offers several convenient ways to pay your electric bill.



Auto Pay

Free recurring payments from checking/savings or from a credit/debit card. Enroll through the MyClayElectric web portal or mobile app.



By Phone

Free with checking/savings account, or credit/debit card. Call (844) 936-2704.



Online

Free with checking/savings account, or credit/debit card, through the MyClayElectric web portal or mobile app.



Pay Stations

\$1.50 service fee cash payments only. Visit ClayElectric.com for a list of authorized pay stations.



Mail

Mail check or money order to Clay Electric Cooperative, P.O. Box 308, Keystone Heights, FL 32656-0308.

For a full list of payment method options, visit ClayElectric.com.

What to Do When Away

If a member expects to be away when an electric bill would be received and become due, there are several options for making timely payments. First, the member can call the co-op at the time when the bill would normally be received to either make a payment over the phone or request the amount due to mail in a payment. Members may also look up their current charges in MyClayElectric and make an online payment if they choose. A prepayment for the expected amount may be another option for some, or members may choose the Auto Pay program, which allows the payment to be automatically deducted from a bank account or credit card on a monthly basis.

Utility Credit Check

Clay Electric will perform a Utility Check (a type of credit check which doesn't affect the person's credit score) on potential members prior to connection. If a potential member refuses the Utility Check, two forms of ID (at least one must be a picture ID) must be produced at the local district office.

Deposit

A deposit is required of all members who receive electric service from Clay Electric. The purpose of the deposit is to secure payment of a member's final electric bill and protect you and our other responsible members from a

small percentage of individuals who develop poor payment histories, which ultimately affect the rates we charge all members.

Clay Electric will waive the deposit for a residential member under the following circumstances:

- The member has established good payment record on a current Clay Electric account.
- The member's utility credit check is satisfactory.
- The member signs up for PrePaid.

Failure to maintain a satisfactory payment record may result in the member being required to post a deposit where previously waived or returned, or an additional deposit in order to secure payment for current bills.

Clay Electric will automatically refund the deposit to a residential member after 12 months of continuous service, provided the member has a good payment record, or if the member signs up for PrePaid.



Factors Affecting Electricity Usage

There are several factors which can have a major impact on an electric bill. For example, extreme weather conditions such as very hot or cold temperatures will cause higher bills because an air conditioning/heating system has to operate for a longer period of time.

Other factors which can vary a bill from month to month include changes in the size of the family, changes in living habits, and even a longer billing period due to holidays.

When noting the kilowatt hour usage of your electric bill, please avoid a comparison with a neighbor's electric bill. Even if houses seem similar in size and construction, many factors influence electricity usage, including the number of people in the family, number of appliances and lifestyles (thermostat settings, lighting levels, etc.).



Monitoring Your Energy Usage

There's nothing worse than sticker shock when the electric bill arrives. Access to detailed, easy-to-read information about your electric use can help you make informed decisions and save money. Your MyClayElectric account will let you view your power use alongside weather trends by month, day or hour. You can see how much electricity you typically use during a specific time period, and compare two monthly bills side-by-side to see "this year vs. last year" or "this month vs. last month," which shows you how the weather and temperature affect your monthly bills.

You can also sign up in MyClayElectric to receive email or text message alerts when your energy use exceeds a threshold you set.

Energy Theft/Meter Tampering

When energy theft occurs, other co-op members are paying for the energy used. If you suspect someone of stealing electricity, please report the activity by calling one of the Clay Electric's customer service numbers. You may remain anonymous.

Florida law provides for a fine of at least \$3,000 and/or one

year in prison for theft of electricity. 812.14 F.S.: “Whoever is found in a civil action to have violated this section is liable to the utility involved in an amount equal to 3 times the amount services unlawfully obtained or \$3,000, whichever is greater.”

More importantly, meter tampering and theft causes safety hazards for members as well as Clay Electric employees.

Vegetation Management

To help maintain safe and dependable electric service, the right-of-way for power lines must be maintained on a systematic and regular basis.

The importance of a clear right-of-way is evident when statistics indicate that approximately one-third of Clay Electric’s outages are tree-related. Without sufficient clearance, power outages would occur more frequently and power line repair costs would increase appreciably. Additionally, serious safety hazards can result when tree limbs are allowed to grow too close to power lines.

To avoid an unsafe situation, please don’t plant trees and shrubbery underneath power lines. When planting flowers or shrubs close to padmounted transformers, a clear space of three feet on the sides and back of the transformer must be maintained. No planting in front of the padmounted transformer – it must be kept clear. A clear space of at least 60 inches must be maintained in front of all meters for reading and testing purposes.

For those desiring more information, a tree planting guide is available at ClayElectric.com. You may contact the Vegetation Management Division by phone at (800) 511-5998 or by email at vegmgmt@clayelectric.com.



YOUTH PROGRAMS

The co-op cares about today's youth and the educational process. That's why the co-op has traditionally played a leading role in helping to provide activities for further development and education. The Youth Tour to Washington contest, Youth Scholarship program and school presentations, including career displays, are a regular part of the activities for schools within the Clay Electric service area.

Youth Tour to Washington Contest

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The Youth Tour to Washington program provides an all-expense paid trip for four high school juniors to Washington, D.C., during the nation's Youth Week in June.

Each of the approximately 26 high schools within the co-op's service area select an 11th grade school representative as part of the contest. The students then visit the state capital on a three-day trip with chaperones while the state legislature is in session. While in Tallahassee, the four winners are chosen for the Washington trip.



Youth Scholarship Program

Each year, the co-op awards at least 25 scholarships of \$2,000 each to outstanding high school seniors whose parents/guardians are Clay Electric members. The selections are based on such characteristics as community involvement, extra-curricular activities and academic achievements.



Applications are available at high schools within the Clay Electric service area, at each district office and at clayelectric.com from January through March of each year.

Back to Your Future Scholarship Program

Clay Electric's \$2,000 Back to Your Future scholarship is designed to help adults who are in school or returning to college. This scholarship program is limited to any student/applicant, age 22 or older, who meets the following criteria:



- Home/residence must be served by Clay Electric
- Applicant cannot be a previous winner of a Clay Electric Scholarship
- Applicant has earned a High School Diploma or GED Completion Certificate prior to this application
- Applicant must be registered at and/or attending an accredited college or trade school for the upcoming Spring semester

At least one scholarship is available and will be awarded based on need, leadership and/or community service, and educational goals and career plans.

School Presentations

Programs which relate to energy, safety and other topics are available to present to students on a regular basis. Co-op representatives also participate in career days at local elementary, middle, junior high and high schools.



Publications

A variety of publications about the programs mentioned in this handbook are available in print and online at ClayElectric.com.

The co-op's newsletter, *Kilowatt*, is published and mailed to your home six times a year: January, February/March, May, July, September and November. The newsletter includes information about current events, special notices pertaining to trustee district meetings and the annual meeting, stories about co-op members and much more.

A monthly bill insert called *Power Line* also features regular information about the co-op, including a message from the general manager, and energy and safety information.



Video Programs and Presentations

Video programs on a variety of subjects including energy, safety and utility-related topics are regularly produced and updated. These programs are made available to groups and organizations through the co-op's member relations representatives. Please contact the member relations representative at your local district office to schedule a video program or presentation to your civic or community organization.

Video programs are also available on the co-op's website and its YouTube channel.

Website & Social Media

The co-op's website is updated regularly and includes the latest co-op news, Trading Post ads, brochures and information. Through the MyClayElectric web portal and mobile app, you can also handle tasks such as making a payment, requesting an outdoor light repair or electric cut-ons and cut-offs, reporting an outage, signing up for paperless billing or the Auto Pay Program, and accessing your residential account information.

The Member Handbook and bylaws are available on the website as well.

The address for the website is:

ClayElectric.com

The MyClayElectric mobile app is available through GooglePlay and the App Store:



Follow us on Facebook and Instagram for co-op news and information:



www.facebook.com/clayelectric

clayelectriccoop

Check out our YouTube channel for the latest videos:



**[www.youtube.com/
clayelectriccoop](http://www.youtube.com/clayelectriccoop)**

HISTORY

Clay Electric Cooperative was incorporated and received its charter in December 1937. It began its existence, as did many other fledgling electric cooperatives around the nation, with assistance from the Rural Electrification Administration (REA). The REA's mission was to bring electricity to rural areas across America. During WWII, the expansion of the cooperative's lines into many rural areas of North Florida slowed as the war effort took priority.



The post-WWII era brought considerable growth to North Florida. Clay's service area eventually stretched into 15 counties. In 1964, the co-op built its first district office in Orange Park. A year later, an office was built in Gainesville. District facilities followed in Keystone Heights, Palatka, Salt Springs and Lake City.

In the 1970s and '80s, growth in the co-op's service area continued at a rapid pace as pastures and woodlands gave way to subdivisions, shopping malls and highways.

Over the years, the co-op's board of trustees and management have emphasized the importance of providing members with excellent service and competitive electric rates. The co-op is committed to operating efficiently and productively and to using the latest technology to meet members' growing needs for programs, services and new communications channels.

BYLAWS

ARTICLE I - MEMBERSHIP

SECTION 1. Requirements for Membership.

Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Clay Electric Cooperative, Inc. (hereinafter called the "Cooperative") upon receipt of electric service from the Cooperative, provided that he/she or it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase from the Cooperative electric service as hereinafter specified;
- (c) Agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the board of trustees, and;
- (d) Paid the membership fee hereinafter specified.
- (e) Paying the sum of one dollar, or such sum as directed by the board of trustees for an annual subscription to The Kilowatt for each year to be paid from the amount accruing to the member.

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

SECTION 2. Current Contact Information.

The member or former member shall notify the Cooperative of any address changes. It is the responsibility of the member or former member to ensure that the Cooperative has current contact information on file, including physical mailing address.

SECTION 3. Joint Membership.

Legally married couples may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a legally married spouse holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote; the first vote, signature, or action received by the Cooperative binds the joint membership and constitutes one vote, signature, or action.
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice of either shall constitute notice to both;
- (e) The 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 officer or trustee, provided that both meet the qualifications for such office.

SECTION 4. Conversion of Membership.

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws, and rules and regulations adopted by the board of trustees.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor and will become a single membership; provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 5. Membership Fees.

The membership fee shall be five dollars, upon the payment of which a member shall be eligible for one or more service connections. The board of trustees may change the amount of the membership fee from time to time and may eliminate the fee, in its discretion.

SECTION 6. Purchase of Electric Service.

Each member shall, as soon as electric service shall be available, purchase from the Cooperative all electric service used on the premises specified in his or her application for membership, unless and except such energy is generated from the member's own assets and the board of trustees has waived in writing such requirement, and shall pay therefore at rates which shall from time to time be fixed by the board of trustees. The Cooperative cannot and therefore does not guarantee an uninterrupted and continuous supply of electric service. Amounts paid for electric service in excess of the cost of services are furnished by members as capital, and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the board of trustees from time to time. Each member shall also pay all amounts owed by him or her to the Cooperative as and when the same shall become due and payable. The Cooperative shall have the right, but not the obligation, to set-off the capital of a member against any amounts due and owing from the members to the Cooperative.

SECTION 7. Termination of Membership.

The cessation of the legal existence of any other type of member shall automatically terminate such membership, unless otherwise determined by the board of trustees in its discretion and business judgment. Any individual who continues to reside at a service location that was previously receiving service in the name of the decedent must apply for a new membership by following the provisions of Section 1 of this Article.

Except as otherwise provided in these bylaws, a membership is terminated upon:

- (a) Cooperative learning of the member's death, legal dissolution, or legal cessation of existence;
- (b) Member requesting termination; or
- (c) Cooperative learning that the member has stopped purchasing electric service from the Cooperative.

Termination of a member does not: (1) release the member from debts, liabilities, or obligations owed to the Cooperative; or (2) release the Coopera-

tive from the obligation to retire and pay Capital Credits to the former member or obligations to the former member regarding the Cooperative's dissolution. After termination of a membership, such person may not again become a member except upon a new application as provided in Section 1 of this Article. The board of trustees 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 membership obligations.

ARTICLE II - RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members.

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

SECTION 2. Non-liability for Debts of the Cooperative.

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

SECTION 3. Unclaimed Membership Deposits and Other Amounts Due Members.

If any member (the term "member" shall include a former member) fails to claim any amount representing the refund of any membership(s), deposit(s) or other amounts due the member, other than the retirement of capital credits, by the Cooperative within one (1) year after payment has been attempted by check mailed to the last address provided by the member to the Cooperative, then such failure shall be and shall constitute an irrevocable assignment and gift by such member of those amounts due the member to a qualified charitable organization to be selected by the Cooperative's Board of Trustees.

"Fails to claim" shall mean failure to negotiate a check, or the return of a check mailed to the last address provided by the member.

"Qualified charitable organization" means a charitable organization recognized by the Internal Revenue Service as an exempt organization under Section 501(c)3 of the Internal Revenue Code.

The date of the assignment and gift shall be within one (1) year from the date of the check issued in payment for the amounts due the member, provided, however, that such assignment of gift shall not be effective until sixty (60) days after the Cooperative has complied with either of the following notice requirements: (a) written notice mailed to the member at the last address provided by the member to the Cooperative, or (b) publication in the Cooperative's newsletter or in a newspaper of general circulation (one publication) of a general notice that any membership(s), deposit(s) or other amounts due members that are ten (10) months old must be claimed within sixty (60) days of the date of publication or be deemed irrevocably assigned as set forth in this bylaw.

ARTICLE III - MEETING OF MEMBERS

SECTION 1. Annual Meeting.

The annual meeting of the members shall be held during the months of March or April of each year at such place within a county served by the Cooperative as selected by the Board, and shall be designated in the notice of the meeting, for the purpose of electing trustees, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting; provided, that the board of trustees in its business judgment may fix a different date for such annual meeting than in the months set forth in this Section. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meetings.

Special meetings of the members may be called by resolution of the Board of Trustees or by written request signed by any three (3) trustees, by the President, or by ten (10) percent or more of all the members. Upon receipt of request it shall be the duty of the Secretary to initiate the notice of members' meeting as provided in these bylaws. Special meetings of the members shall be held at such place within a county served by the Cooperative as selected by the Board and shall be designated in the notice of the meeting.

SECTION 3. Notice of Members' Meetings.

Written or printed notice stating the place, day, and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered to each member not less than ten (10) days nor more than forty-five (45) days before the date of the meeting, either personally or by mail (including electronic mail), by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. It shall be the duty of the member or former member to provide the Cooperative an updated address in the event such address changes.

SECTION 4. Quorum.

One percent (1%) of the total membership present in person or casting a vote by absentee ballot shall constitute a quorum. If less than a quorum is present at any meeting or by vote cast by absentee ballot, a majority of those present in person may adjourn the meeting from time to time without further notice, provided that the Cooperative shall notify any absent members of the time and place of such adjourned meeting.

SECTION 5. Voting.

Each member shall be entitled to one vote on each matter submitted to a vote at a meeting. Voting by proxy shall not be allowed. A majority of the members voting is required to approve any motion or matter before a meeting of the members. Voting shall be in person or by absentee ballot, and those members

voting by absentee ballot shall be counted as present in person for determination of a quorum. Members voting by absentee ballot shall not be counted on any matter raised at a meeting which was not specifically listed and identified on the absentee ballot. For purposes of this section, the term “absentee ballot” shall mean a ballot mailed in or electronically delivered to the Cooperative, or to an independent 3rd party designated by the Board of Trustees in lieu of the member’s appearance in person to vote at the meeting. The manner and procedure for voting by absentee ballot shall be as determined by the Board of Trustees in a policy or policies addressing the matter, and shall be referenced in the Notice of Meeting.

SECTION 6. Order of Business.

The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members shall be essentially as follows:

1. Report as to the number of members present in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing hereof, or 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.
8. Adjournment.

SECTION 7. Record Date.

The “Record Date” is the date for determining the total number of members entitled to: (a) sign any petition, request, demand, consent, appointment, or similar document; (b) receive a ballot, notice of a member meeting, or similar document; or (3)(c) vote. If a party is not a member on the record date, then the party may not sign a document, receive a document, or vote. The record date for voting at a member meeting is the date of the member meeting; provided, however, the Board of Trustees may fix a different record date so long as such date is no more than forty-five (45) days before the date a ballot, notice, or similar document is due or required.

ARTICLE IV - TRUSTEES

SECTION 1. General Powers.

The business and affairs of the Cooperative shall be managed by a board of trustees of not less than seven (7) trustees. The board of trustees may exercise all of the powers of the Cooperative except such as are conferred upon the members by law, or by its articles of incorporation or bylaws.

SECTION 2. Election and Tenure.

All trustees shall be elected for terms of three (3) years, and shall be elected by ballot, by and from the members of the Cooperative. One third, or as near

thereto as possible, of the total number of trustees shall be elected each year, so as to provide for staggered terms of the trustees.

SECTION 3. Qualifications.

To become and remain a trustee in the Cooperative an individual must comply with the following qualifications:

- (a) be an individual who is a member and bona fide full time resident of the district which the individual is to represent for at least 12 months preceding nomination;
- (b) have the capacity to enter into legally binding contracts;
- (c) have not acquired or have a financial interest in or relationship with an outside organization or individual having business dealings with the Cooperative if this interest or relationship would likely impair the ability of the trustee to serve the best interests of the Cooperative, and annually complete and sign a conflict-of-interest certification and disclosure form approved by the board;
- (d) shall not be a related individual to a current trustee or current employee of the Cooperative, as defined hereafter, unless such related current trustee plans not to seek re-election and/or such related employee has given notice of termination of employment prior to the district meeting. Such termination of employment must take effect no later than the date of the annual meeting;
- (e) shall not have been previously removed as a trustee, or shall not have resigned as a trustee while a proceeding to remove him or her was pending;
- (f) while a trustee and during the 5 years immediately before becoming a trustee, not be convicted of or have plead guilty to a felony or first degree misdemeanor;
- (g) while a trustee and during the 3 years immediately before becoming a trustee and 3 years after serving as a trustee, not be an employee of the Cooperative;
- (h) while a trustee and during the 3 years immediately before becoming a trustee, not be an employee of Florida Electric Cooperative Association, Seminole Electric Cooperative or board member of Clay Electric Foundation or other entity in which the Cooperative is a member;
- (i) except as otherwise provided by board policy for good cause, attend at least two-thirds of all board meetings during each year of the trustee's term of office; and
- (j) comply with any other reasonable qualifications set forth in policies adopted by the board.

As used in these bylaws a "related individual" includes mother, father, grandmother, grandfather, grandchild, spouse, son, daughter, sister, brother, aunt, uncle, niece, nephew, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, including through step and adoptive kin.

Notwithstanding any of the foregoing provisions of this section regarding related individual relationships, no incumbent trustee shall lose eligibility to remain a trustee or to be re-elected as a trustee if he or she becomes a related individual of another incumbent trustee or of a Cooperative employee because of a marriage to which he or she was not a party.

Upon establishment of the fact that a trustee is holding office in violation of

any of the foregoing provisions, it shall immediately become incumbent upon the board of trustees to remove such trustee from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board of trustees.

SECTION 4. Voting Districts.

The territory served by the Cooperative shall be divided into nine (9) districts, or such lesser or greater number as may be determined from time to time by the board of trustees, but in no event to be less than seven (7) districts nor more than eleven (11) districts. The boundaries of each district shall be clearly delineated to make it reasonably easy for any member to determine the district in which such member resides. Each of the districts should provide for equitable representation on the board from throughout the Cooperative service area.

Not less than sixty (60) days before any meeting of members in which trustees are to be elected the board of trustees shall review the composition of the districts based upon geographic, regional, membership, or other equitable consideration as determined by the board of trustees. If it is found that inequalities have developed which can be corrected by a redelineation of districts, the board of trustees should revise the districts to ensure that the districts provide equitable representation on the board from throughout the Cooperative service area.

SECTION 5. Nomination and Election of Trustees.

- (a) Nomination at District Meetings. Not less than thirty (30) days nor more than ninety (90) days before any meeting at which trustees are to be elected, the board of trustees shall call a separate meeting of the members of each district from which a trustee is to be elected at a suitable place in such district for the purpose of selecting not more than two qualified persons as candidates for trustee to represent the members located within such district. The notice of such meeting shall be delivered to each member located in such district as provided in Section 3 of Article III and shall indicate the district to which such member belongs. The notice shall state that an election to select one or two nominees for trustee is to be made at the meeting. The meeting shall, however, be open for discussion of any other matters pertaining to the business of the Cooperative, regardless of whether or not such matters were listed in the notice of the meeting, and recommendations with respect thereto may be submitted to the board of trustees or the entire membership.

The district meeting shall be called to order by the trustee representing the district, or by another designated representative of the board of trustees, or, in his or her absence, by any member residing within the district. The members shall then proceed to elect a chairperson, who shall be someone other than a trustee and who shall appoint a secretary to act for the duration of the meeting. Fifteen (15) members residing in the district present at such duly called district meeting shall constitute a quorum. Members of other districts present at the meeting may be heard but shall have no vote. Nominations for candidates for trustee shall be made from the floor at the meeting, and any member residing in the district shall have the right to nominate one candidate. The meeting shall remain open for nominations until no further nominations are forthcoming. Candidates must be members residing in the district and

must possess the qualifications for trustee specified in Section 3 of Article IV of the bylaws.

Voting shall be by ballot, and proxy voting shall not be permitted at any district meeting. Each member may vote for one (1) candidate. The two (2) candidates receiving the highest number of votes shall be declared the official candidates of the district. The minutes of such district meeting shall set forth, among other matters, the name of each person nominated at the meeting and the number of votes received by each and shall specify the two (2) official candidates of the district. A certified copy of the minutes signed by the Secretary and the Chairperson of the district meeting shall be delivered to the Secretary of the Cooperative within five (5) days after such district meeting.

- (b) Election of Trustees. Not less than ten (10) days before an annual or special meeting of the members at which trustees are to be elected, the Secretary of the Cooperative shall be responsible for mailing to each member eligible to vote a list of the candidates selected at all district meetings, the names to be arranged by districts and in order of preference indicated by the respective district vote. This list may be included with the notice of the meeting. Election of trustees shall be by voting in person at the annual meeting or by absentee ballot. The ballots shall only list the candidates selected at the district meetings, the names to be arranged by districts and in the order of preference indicated by the respective district vote. A member wishing to vote for any other candidate or candidates may do so by writing in the name of such candidate(s) on the ballot or at the designated place on the machine and indicating a vote for such candidate(s) by a check or a mark. Each member of the Cooperative eligible to vote shall be entitled to vote for one candidate from each district. The candidate from each district receiving the highest number of votes shall be declared elected as a trustee.

SECTION 6. Removal of Trustees .

- (a) By the Members: Any member may bring charges against a trustee for just cause (as defined in subsection c) by filing such charges in writing with the Secretary, together with a petition signed by at least ten (10) per centum of the members residing within district served by such trustee, requesting the removal of such trustee by reason thereof. The trustee against whom such charges have been brought shall be informed in writing of the charges at least twenty (20) days prior to the meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. The President shall determine the order and procedure for hearing the petition at the meeting. The members of the Cooperative shall be notified of the call for removal and the date and time of the meeting at which the matter will be considered, as provided in Article III, Section 3 of these Bylaws. The question of the removal of such trustee shall be considered and voted upon at the next regular or special meeting of the members. Any vacancy created by such removal may be filled by the Board of Trustees in accordance with Section 7 of this Article.

- (b) By Board of Trustees: Any member of the Board of Trustees may call for removal for just cause (as defined in subsection c) of a fellow Trustee by filing with the Secretary a written statement of the allegations (Statement) constituting cause for removal. The Statement must be signed by no less than four of the current Trustees. The Statement shall be delivered to the affected Trustee by USPS certified mail return receipt requested, by hand delivery, or by an overnight courier services for which a receipt is given. The Board shall then conduct a preliminary hearing on the Statement no sooner than ten days after delivery of the Statement to determine if there is probable cause to proceed with a removal action as specified herein. The affected Trustee shall have an opportunity at the preliminary hearing to be heard in person or by counsel and to admit or deny the allegations in the Statement. At the conclusion of the preliminary hearing, the Board shall convene an executive session to either determine that there is no probable cause to proceed with the removal action, in which event the matter shall be closed, or determine that there is probable cause and set the matter for a removal hearing as hereinafter set forth. If the Board determines that there is probable cause for removal of the affected Trustee, the matter will be considered at the next regular meeting of the Board of Trustees or at a special meeting of the Board called for that purpose, subject to the notice requirements of these Bylaws. At the meeting where the removal of the Trustee shall be considered, the Trustee shall have an opportunity to be heard in person or by counsel and to present evidence in respect of the charges. The Trustee or Trustees bringing the charges against the affected Trustee shall have the same opportunity. The President shall determine the order and procedure for hearing the removal action. The members of the Cooperative shall be notified of the call for removal and the date and time of the meeting at which the matter will be considered, as provided in Article III, Section 3, of these Bylaws. The question of the removal of the Trustee shall be considered and determined by at least two-thirds of the Trustees present and voting at the meeting. The vacancy created by a removal may be filled by the Board of Trustees in accordance with Section 7 of this article.
- (c) Just cause as used in this Section 6 includes, but is not limited to, the following: (i) official misconduct or gross negligence while in the performance of official duties; (ii) conviction of a felony; (iii) failure to attend as many as three consecutive meetings of the board, whether special or regular, and that such failure did not occur for a justifiable cause; (iv) the trustee has become incapable of performing the duties of a trustee and such incapability is not likely to cease within a reasonable time; (v) such trustee is no longer a bona fide resident of the district such trustee was elected to represent; or (vi) such trustee no longer meets the qualification requirements of Section 3 of this Article.

SECTION 7. Vacancies.

When a vacancy occurs on the board of trustees, the board, by majority vote, may: (a) leave the position vacant for the balance of the unexpired term of the position; or (b) call for a special election during the next annual election cycle to fill the unexpired term of the position, provided

that the district nominating meeting notice requirements can be met; or
(c) fill the vacancy by appointing a qualified member as trustee to serve
out the unexpired term of the position.

The member elected or appointed as trustee to fill a vacancy must meet all
of the qualifications as set forth in Section 3 of this Article.

SECTION 8. Compensation.

Trustees as such shall not receive any salary for their services, but by reso-
lution of the board of trustees, trustees may receive a fixed sum, for each day or
portion thereof spent on Cooperative business, such as attendance at meetings,
conferences, and training programs or performing committee assignments when
authorized by the board of trustees. If authorized by the board of trustees, trust-
ees may also be reimbursed for expenses actually and necessarily incurred in car-
rying out such Cooperative business or granted a reasonable per diem allowance
by the board of trustees in lieu of detailed accounting for some of these expenses.
The board may, by appropriate resolution, authorize trustees to be eligible for
comprehensive medical insurance on the same basis as the Cooperatives' em-
ployees. No trustee shall receive compensation for serving the Cooperative in
any other capacity, nor shall any related individual of a trustee receive compen-
sation for serving the Cooperative, unless the payment of compensation shall be
specifically authorized by a vote of the members, or the service by such trustee
or related individual shall have been certified by the board of trustees as an
emergency measure.

SECTION 9. Indemnification.

The board of trustees of the Cooperative shall have the power to indemnify
any person who was or is a party to any proceeding, action or claim by reason of
the fact that he or she is or was a trustee, manager, officer, employee or agent of
the Cooperative or is or was serving at the request of the Cooperative as a trustee,
manager, officer, employee or agent of another corporation, partnership, joint
venture, trust or other enterprise, and who acted in good faith, against liability
or expenses incurred in connection with any such proceeding, action or claim
including any appeal thereof.

ARTICLE V- MEETINGS OF TRUSTEES

SECTION 1. Regular Meetings.

A regular meeting of the board of trustees shall be held, without notice other
than this bylaw, immediately after and at the same place as the annual meeting
of the members. A regular meeting of the board of trustees shall also be held
monthly at such time and place in Keystone Heights, Clay County, Florida or
other designated location within a county served by the Cooperative, as the board
of trustees may provide by resolution. Such regular monthly meetings may be
held without notice other than such resolution fixing the time and place thereof.
All meetings of the board of trustees at which official acts are to be taken shall
be open to the membership. Members may attend all meetings of the board of
trustees as provided by law. The board of trustees may adopt policies governing
members' appearances and participation at any such meetings.

SECTION 2. Special Meetings.

Special meetings of the board of trustees may be called by the President or by any three (3) trustees and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the trustees calling the meeting shall fix the time and place of the meeting.

SECTION 3. Notice of Trustees' Meetings.

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

SECTION 4. Quorum.

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

ARTICLE VI - OFFICERS

SECTION 1. Number.

The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer, and such other officers as may be determined by the board of trustees from time to time including, but not limited to, a General Manager/Chief Executive Officer. The offices of Secretary and of Treasurer may be held by the same person.

SECTION 2. Election and Term of Office.

The officers shall be elected annually by and from the board of trustees at the meeting of the board of trustees held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the board of trustees following the next succeeding annual meeting of the members or until his or her successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the board of trustees for the unexpired portion of the term. The officer position of General Manager/Chief Executive Officer shall not be a term of years, but such officer shall serve at the pleasure of the board of trustees.

SECTION 3. Removal of Officers and Agents by Trustees.

Any officer or agent elected or appointed by the board of trustees may be removed by the board of trustees whenever in its judgment the best interest of the Cooperative will be served thereby.

SECTION 4. President.

The President shall:

- (a) be the principal elected officer of the Cooperative and, unless otherwise determined by the members or the board of trustees, shall preside at all meetings of the members and the board of trustees;
- (b) sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the board of trustees to be executed, except in cases where 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 agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of President, and such other duties as may be prescribed by the board of trustees from time to time.

SECTION 5. Vice-President.

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

SECTION 6. Secretary.

The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board of trustees in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- (f) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the board of trustees.

SECTION 7. Treasurer.

The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and

- (c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the board of trustees.

SECTION 8. General Manager/Chief Executive Officer.

The board of trustees may appoint a General Manager/Chief Executive Officer who may be, but who shall not be required to be, a member of the Cooperative. The General Manager/Chief Executive Officer shall perform such duties and shall exercise such authority as the board of trustees may from time to time vest in him or her, either by resolution or board policy.

SECTION 9. Bonds of Officers.

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

SECTION 10. Compensation.

The powers, duties, and compensation of officers, agents, and employees shall be fixed by the board of trustees subject to the provisions of these bylaws with respect to compensation for trustees and related individuals of trustees.

SECTION 11. Reports.

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

ARTICLE VII - NON-PROFIT OPERATION

SECTION 1. Apportionment of Excess Revenues.

Florida law provides that revenues of the Cooperative “for any fiscal year in excess of the amount thereof necessary:

1. To defray expenses of the Cooperative and of the operation and maintenance of its facilities during such fiscal year;
2. To pay interest and principal obligations of the Cooperative coming due in such fiscal year;
3. To finance, or to provide a reserve for the financing of, the construction or acquisition by the Cooperative of additional facilities to the extent determined by the board of trustees;
4. To provide a reasonable reserve for working capital;
5. To provide a reserve for the payment of indebtedness of the Cooperative maturing more than 1 year after the date of the incurrance 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 following fiscal year; and
6. 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 the Cooperative, shall, unless otherwise determined by a vote of the members, be distributed by the Cooperative to its members as patronage refunds in accordance with the patronage of the Cooperative by the respective members paid for during such fiscal year. Nothing herein contained shall be construed to prohibit the payment by the Cooperative of all or any part of its indebtedness prior to the date when the same shall become due.”

In accordance with the foregoing law, by voting for these amendments, the membership has hereby expressed its intent to vote to allow the board of trustees, in its discretion and business judgment, to distribute any statutory excess revenues, should any exist, to the capital accounts of members rather than paying them in cash, and to in turn periodically choose to retire such credits, as set forth in Article VII, Section 3 below. To the extent any member disagrees with the decisions of the board of trustees with respect to the allocation or retirement of these statutory excess revenues, the member may seek arbitration pursuant to Article XI, Section 6, but only after the member has first provided written notice to the board of trustees at least fifteen (15) calendar days in advance of the next scheduled regular monthly board meeting and provided the board of trustees with a reasonable time to investigate and respond to the matter. If a member disagrees with the decisions of the board of trustees the burden of proof shall be on the member.

SECTION 2. Interest or Dividends on Capital Prohibited.

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

SECTION 3. Patronage Capital in Connection with Furnishing Electric Service.

In the furnishing of electric service, the Cooperative’s operations shall be so conducted that all members, will through their patronage furnish capital for the Cooperative. All members acknowledge the need of the Cooperative for capital received from members to operate. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the membership has voted to vest in the Board of Trustees, in its discretion and business judgment, the ability to allocate patronage capital to the accounts of members, rather than paying them in cash, for all amounts received and receivable from the furnishing of electric service in excess of operating costs and expenses properly chargeable against the furnishing of electric service. All such amounts in excess of operating costs and expenses, at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the members as capital. Such patronage capital amounts are not the same as statutory “excess revenue” as determined under Florida law (as described in Section 1, above). The Cooperative may pay by credits to a capital account on the books of the Cooperative for each member equal to the member’s pro rata share of all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member; and the Cooperative shall within a reasonable time after the close of the fiscal year notify each mem-

ber of the amount of capital so credited to their account. Each member agrees that all such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so, and the member had then furnished the Cooperative corresponding amounts of capital for its use in conducting the business of the Cooperative.

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

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the board of trustees shall determine in its sole discretion that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part. The board of trustees shall have the discretion in the exercise of its business judgment to determine the method, basis, priority and order of retirement, if any, for all amounts heretofore and hereafter furnished as capital.

- A. Retirement of capital credits is the actual payment, as provided by subsection (B) below, of patronage capital to the Cooperative members to whom it has previously been allocated. The board may, in its discretion, utilize its business judgment to retire patronage capital as allocated on the books of the Cooperative so long as the retirement is consistent with sound business and management practices and the financial stability of the Cooperative will not be impaired thereby. If the board, in its discretion, utilizes its business judgment to retire patronage capital to members either upon their death, termination of electric service, or bankruptcy, then the retirement may be discounted in the exercise of the board's business judgment.
- B. When the board has determined, pursuant to subsection (A) above, that patronage capital should be retired, the retirement may be accomplished by a bill credit or by the mailing of payment or notice of payment to the person's last known address of record on file with the Cooperative. No interest shall be paid or payable by the Cooperative on any patronage capital furnished by its members.

In no event may the board of trustees retire capital such that it would cause the Cooperative to fall out of compliance with the provisions of any of its mortgage, deed of trust, loan contracts, or other security instruments executed by the Cooperative to secure any indebtedness of the Cooperative.

If the Cooperative separately identified and allocated capital credits representing capital credits or similar amounts allocated to the Cooperative by an Entity, such as Seminole Electric Cooperative, in which the Cooperative is or was a member, patron, or owner, then the Cooperative may retire and pay these capital credits in association with when the Entity retires and pays the capital credits or similar amounts to the Cooperative. The board of trustees shall have the discre-

tion in the exercise of its business judgment to determine the manner, method, basis, priority, timing and order of retirement, if any, for all amounts thereafter furnished as capital.

Capital credited to the account of each member shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy of all or part of such member's premises served by the Cooperative, unless the board of trustees, in its discretion and business judgment, shall determine otherwise.

Notwithstanding any other bylaw provision or provisions in the membership agreement, if a member (member as used herein shall include a former member) fails to claim any cash retirement of Capital Credits within three (3) years after payment of the same has been declared payable to such member by a notice or check mailed to the member at the last known address of the member, then such funds shall be considered to be an absolute and irrevocable assignment of the payment due the member to the Cooperative, less any charges for maintaining the member's accounts. The Cooperative's notice obligation to the member shall be satisfied by a good faith attempt to deliver a notice or payment to the member at the last address furnished by the member to the Cooperative. The irrevocably assigned Capital Credits shall be assigned back to the Cooperative and the board of trustees shall determine the disposition of these irrevocably assigned Capital Credits.

To the extent a member disagrees with the decisions of the board of trustees with respect to the allocation or retirement of capital credits, the member may seek arbitration pursuant to Article XI, Section 6, but only after the member has first provided written notice to the board of trustees at least fifteen (15) calendar days in advance of the next scheduled regular monthly board meeting and provided the board of trustees with a reasonable time to investigate and respond to the matter. If a member disagrees with the decisions of the board of trustees the burden of proof shall be on the member.

SECTION 4. Applicability and Acceptance of Bylaws.

The members 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 member, and both the Cooperative and the members are bound by such contract as fully as though each member 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 member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

SECTION 5. Debts of Members and Set Off.

No member of the Cooperative shall be entitled to receive any retirement of capital credits if such member is indebted to the Cooperative in any manner. Any indebtedness due the Cooperative by any member, at the option of the board of trustees, may be set off against the capital credits of such member at any time, together with interest thereon at the legal rate accruing on judgments in effect when such amount became overdue, whether the Statute of Limitations has run against such indebtedness or not.

ARTICLE VIII - DISPOSITION OF PROPERTY

The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease, or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds (2/3) of all the members of the Cooperative and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, or any other provision of law, the board of trustees of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board of trustees shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any person, corporation, financial institution, or entity lending money to the Cooperative.

ARTICLE IX - SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, Florida."

ARTICLE X - FINANCIAL TRANSACTIONS

SECTION 1. Contracts.

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

SECTION 2. Checks, Drafts, etc.

Except otherwise provided by law or in these bylaws, 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 issued by such officer, officers, agent, or agents of the Cooperative and in such manner as shall from time to time be determined by resolution of the board of trustees.

SECTION 3. Deposits.

Except for petty cash/working funds, all funds of the Cooperative shall be deposited in such financial institutions as the board of trustees may select.

SECTION 4. Fiscal Year.

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

ARTICLE XI - MISCELLANEOUS

SECTION 1. Membership in Other Organizations.

The Cooperative shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase; provided, however, that the Cooperative may, upon the authorization of the board of trustees, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of rural electrification or any other corporation for the purpose of acquiring electric facilities.

SECTION 2. Waiver of Notice.

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

SECTION 3. Policies, Rules and Regulations.

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

SECTION 4. Accounting System and Reports.

The board of trustees shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the administrator of the Rural Utilities Services of the United States of America. The board of trustees shall also after the close of each fiscal year cause to be made by a Certified Public Accountant a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit may be submitted to the members at the next annual meeting.

SECTION 5. Area Coverage.

The board of trustees shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. Alternative Dispute Resolution.

If a controversy or claim arises out of or relates to the calculation, allocation, or payment of excess revenues, or the allocation or retirement of patronage capital, then the Cooperative and the member shall resolve any issues, controversies or claims solely by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and the judgment rendered by the arbitrator(s) may be entered in any court having jurisdiction.

tion. Any controversies, issues and claims regarding the foregoing shall only be settled through individual arbitration and not through collective or class action arbitration.

SECTION 7. Reference to Gender.

Any reference to the male gender in these bylaws shall be construed to mean either male or female gender.

SECTION 8. Reference to Days.

For the purposes of these bylaws, all references to days shall mean calendar days unless otherwise stated to mean business days.

SECTION 9. Written Notice.

For the purposes of these bylaws, all references to written notice shall mean notice can be provided by mail or electronically delivered.

ARTICLE XII - AMENDMENTS

SECTION 1. Amendment of Bylaws.

These bylaws may be altered, amended or repealed by the members at any regular or special meeting, provided the notice of such meeting shall include either: (1) a copy of the language of the proposed alteration, amendment or repeal; (2) a description of where the proposed alteration, amendment, or repeal is posted; or (3) a method for requesting a copy of the proposed alteration, amendment, or repeal (for purposes of this Article XII, the term “amendment” shall include the amendment of an existing bylaw, the repeal of an existing bylaw, and the adoption of a new bylaw).

SECTION 2. Procedure for Amending Bylaws.

Amendments to these bylaws shall be initiated by either a resolution adopted by the board of trustees or by a petition of the members.

- (a) If an amendment is proposed by the board of trustees, it shall first be adopted by a majority of the trustees present and voting at any regular or special meeting of the board. Thereafter, such amendment shall be presented to the membership at the annual meeting of the members, or at any special meeting of the members, provided that due notice of the amendment is given as provided in Section 1.
- (b) Members may initiate amendments to the bylaws in the manner provided by Florida Statute §425.18 (1991). [NOTE: Briefly, §425.18 sets forth the conditions whereby members may propose an amendment by petition that is signed by not less than ten (10) percent of the cooperative.]
- (c) Amendments to the bylaws shall be subject to any limitations contained in the Rural Electric Cooperative law, Chapter 425, Florida Statutes.

As amended March 23, 2024

TRUSTEE DISTRICT DESCRIPTIONS

District 1

All of Clay County lying west of U.S. Highway No. 17 and south of State Road No.16; also, that part of Clay County described as follows: Begin at the intersection of State Road No. 16 and County Road No. 218, thence northerly along County Road No. 218 to County Road No. 216 (Cathedral Oaks Parkway), thence easterly along County Road No. 216 (Cathedral Oaks Parkway), to State Road No. 23, thence northerly along State Road No. 23 to County Road No. 220; thence easterly along County Road No. 220 to U. S. Highway No. 17; thence southerly along U.S. Highway No. 17 to State Road No. 16; thence westerly along State Road No. 16 to County Road No. 218.

District 2

All of Clay County lying easterly of the following described line: Begin at the intersection of State Road No. 21 and the southern boundary of Duval County; thence run southwestly along State Road No. 21 to County Road No. 224 (College Drive); thence southerly along County Road No. 224 to County Road No. 220 (Doctors Inlet Road); thence easterly on County Road No. 220 to U.S. Highway No. 17; thence, southerly on U.S. Highway No. 17 to the Putnam County line and the end of said line; and, all of Putnam County lying easterly of the following described line: Begin at the intersection of U.S. Highway No. 17 and the north line of Putnam County; thence run westerly on the Putnam County line to Bardin Road; thence southerly on said Bardin Road to State Road No. 100; thence easterly on State Road No. 100 to County Road No. 309C; thence southerly on County Road No. 309C to State Road No. 20; thence westerly on said State Road No. 20 to Silver Lake Road; thence southerly on Silver Lake Road to State Road No. 19; thence southerly on State Road No. 19 to the Cross Florida Barge Canal; thence easterly along the Cross-Florida Barge Canal to the St. Johns River; thence southerly on the St. Johns River to a westerly projection of County Road No. 308; thence easterly on County Road No. 308 to its intersection with U.S. No. 17 in Crescent City and the end of said line.

District 3

All of Alachua County lying east of a line beginning at the intersection of State Road No. 121 with the southern boundary of Alachua County and running generally northeasterly along said State Road No. 121 to its intersection with State Road No. 24, thence running generally northeasterly along said State Road No. 24 to its intersection with U.S. Highway No. 301 in Waldo, thence running northerly along said U.S. Highway No. 301 to its intersection with the northern boundary line of Alachua County and the end of said line; also all of Putnam County lying west of County Road No. 315. Also, that part of Putnam County described as follows: Begin at the intersection of County Road No. 315 and County Road No. 310 and run northerly on said County Road No. 315 to the north line of Putnam County; thence easterly on the Putnam County line to Bardin Road; thence southerly on Bardin Road to State Road No. 100; thence easterly on State Road No. 100 to County Road No. 309C; thence southerly on County Road No. 309C to State Road No. 20; thence westerly on State Road No. 20 to Silver Lake Road; thence southerly on Silver Lake Road to State Road No. 19; thence southerly on State Road No. 19 to County Road No. 310; thence westerly on County Road No. 310 to County Road No. 315.

District 4

All of Alachua County lying west of a line beginning at the intersection of State Road No. 121 with the southern boundary line of Alachua County and running generally northeasterly along said State Road No. 121 to its intersection with State Road No. 24, thence running generally northeasterly along said State Road No. 24 to its intersection with U.S. Highway No. 301 in Waldo, thence running northerly along said U.S. Highway No. 301 to its intersection with the northern boundary line of Alachua County and the end of said line. Also, all of Gilchrist County.

District 5

All of Baker and Bradford Counties.

Also, that part of Clay County described as follows: Begin at the intersection of State Road No. 16 and the West line of Clay County, thence easterly along State Road No. 16 to County

Road No. 218, thence northerly and westerly on County Road No. 218 to County Road No. 217, thence northerly on County Road No. 217 to the Clay County Line, then west on the Clay County line to the Bradford County line, thence south on the Bradford County line to said State Road No. 16.

District 6

A part of Clay County described as follows:

Begin at the intersection of State Road No. 21 and the southern boundary of Duval County; thence run southwestly along State Road No. 21 to County Road No. 224 (College Drive); thence southerly along County Road No. 224 to County Road No. 220 (Doctors Inlet Road); thence westerly on County Road No. 220 to State Road No. 23; thence southerly on State Road No. 23 to County Road No. 216 (Cathedral Oaks Parkway); thence west along County Road No. 216 to County Road No. 218, thence northerly and westerly on County Road No. 218 to County Road No. 217, thence northerly on County Road No. 217 to the northern Clay County Line (southern boundary of Duval County); thence east on the Clay County line to State Road No. 21.

Also, all of the remaining customers in Duval County.

District 7

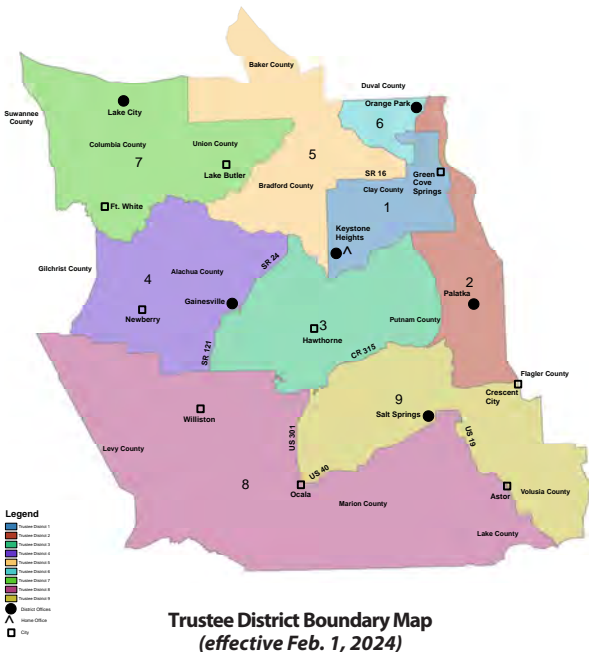
All of Columbia, Union and Suwannee Counties.

District 8

All of Levy County; also all of Lake County, and all of Marion County lying easterly and southerly of a line beginning at the intersection of the Marion/Putnam County line and the west bank of the St. Johns River and running westerly along said Marion/Putnam County line to its intersection with State Road No. 19; thence running south on State Road No. 19 to its intersection with County Road No. 314; thence running southwestly along said County Road No. 314 to its intersection with State Road No. 40; thence running westerly along said State Road No. 40 to its intersection with U.S. Highway No. 301 in Ocala; thence running southerly on U.S. Highway No. 301 to its intersection with the southern boundary of Marion County and the end of said line; and also all of Marion County west of U.S. Highway No. 301.

District 9

All of Flagler and Volusia Counties; and all of Putnam County lying south of the following described line: Begin at the intersection of U.S. Highway No. 17 and County Road No. 308 in Crescent City and run westerly on County Road No. 308 to the St. Johns River; thence northerly on the St. Johns River to its confluence with the Cross-Florida Barge Canal; thence run westerly on said canal to State Road No. 19; thence north on State Road No. 19 to County Road No. 310; thence west on County Road No. 310 to County Road No. 315; thence generally southerly and westerly on County Road No. 315 to the Marion County line; and, all of Marion County lying easterly and northerly of the following described line: Begin at the intersection of U.S. Highway No. 301 and the northern boundary of Marion County, thence run southerly along said U.S. Highway No. 301 to State Road No. 40 in Ocala; thence easterly along State Road No. 40 to County Road No. 314, thence northeasterly along County Road No. 314 to State Road No. 19; thence northerly along State Road No.19 to the Marion/Putnam County boundary line and the end of said line.



STATEMENT OF NON-DISCRIMINATION

Clay Electric Cooperative, Inc. is subject to the provisions of Title IV of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended, the Age Discrimination Act of 1975, as amended, which provide that no person in the United States on the basis of race, color, national origin, age or handicap shall be excluded from participation in, admission or access to, denied the benefits of, or otherwise be subjected to discrimination under any of this organization's programs or activities.

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

PRIVACY POLICY

In the course of doing business with you, we collect information about you that is necessary to provide you with our services. At Clay Electric, we recognize the importance of protecting this information and strive to maintain our customer's privacy.

The Information We Collect: At Clay Electric, we routinely collect and maintain nonpublic personal information about you, to provide you with the services you request and to service your account. This information includes: Information we receive from you on applications, through clayelectric.com and other means, including name, address, telephone number, social security number, e-mail address and property information. Information regarding your transactions with us, such as electric usage, service history, payment history, billing information and financial account information. Information regarding your capital and patronage account and contact information for former members resulting from membership and governance activities. Information we receive from credit reporting agencies and other groups regarding credit history and other reports. Information obtained through samples or surveys of Clay Electric member-consumers to identify needs or improve services. This information may be compiled in aggregate form for Clay Electric Cooperative management activities. Additional information that is collected and maintained when and to the extent appropriate to provide services.

We are committed to maintaining accurate, complete and appropriate information about member-consumers as necessary for the purpose for which the information is to be used. Clay Electric generally permits its member-consumers to access and seek correction of records about themselves that are maintained and used by Clay Electric to provide service, for billing, and to manage capital accounts. Any requests for, or disputes relating to, access, correction, or other matters should be reported to Clay Electric, and we will do our best to resolve any questions or problems that may arise regarding the use of member-consumer information.

Protecting Your Information: We are committed to protecting your nonpublic personal information. Clay Electric collects information solely through lawful and fair means and for appropriate purposes. At Clay Electric, we maintain high standards to ensure the security and confidentiality of our records and our customer's information and we are committed to maintaining appropriate and accurate information about members for purposes that are suitable to its operations and management. We have designed our business practices so that the personal information of our customers is lawfully and properly gathered, stored and processed, so that customer information is only available to those individuals who may need it to provide you with our services. We have established physical, electronic and procedural safeguards to protect customer information as well. However, no record or computer system can ever be protected against every possible hazard. Clay Electric is committed to providing reasonable and appropriate security to protect against foreseeable hazards. Additionally, should your relationship with us end at some time in the future, your information will remain protected as outlined in this notice.

Sharing With Affiliated Third Parties: We may, however, share the information we collect, as described above, with companies, affiliates and contractors that work with us or provide services on our behalf, so that we may provide you with the services that you have requested. These companies might assist us, for example, in fulfilling your service request, processing your account or assisting us with maintenance on your account. All third parties are contractually obligated and employees are required to keep the information that we provide to them confidential and they must use the information only to provide the services we have asked them to perform. Membership lists may be disclosed to a member-consumer of the cooperative for proper purposes, such as in connection with Cooperative election activities. Such disclosures will only be made in accordance with a policy adopted by the Board, and further uses of any lists so disclosed will be subject to that policy.

Sharing With Non-Affiliated Third Parties: Clay Electric does not sell, share, rent, loan, exchange or otherwise disclose customer information with marketing firms or other non-affiliated third parties. We may, however, share information with commercial and consumer credit bureaus and similar organizations, and otherwise as required or permitted by law, such as in response to a subpoena. We also may share nonpublic personal information when specifically authorized to do so by you. Further, Clay Electric reserves the right to share member-consumer records with other utilities under shared service agreements or to meet operational requirements.

Modifications to Our Privacy Policy: We reserve the right to change our privacy practices in the future, which may include sharing nonpublic personal information about you with non-affiliated third parties. Before we do, we will provide you with a revised privacy policy and give you the opportunity to elect not to participate in that type of information sharing. This policy is not a formal limitation on the ability of Clay Electric to use, manage, and disclose its records as Clay Electric determines to be necessary, appropriate, or required by law.

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Member & Public Relations Department

