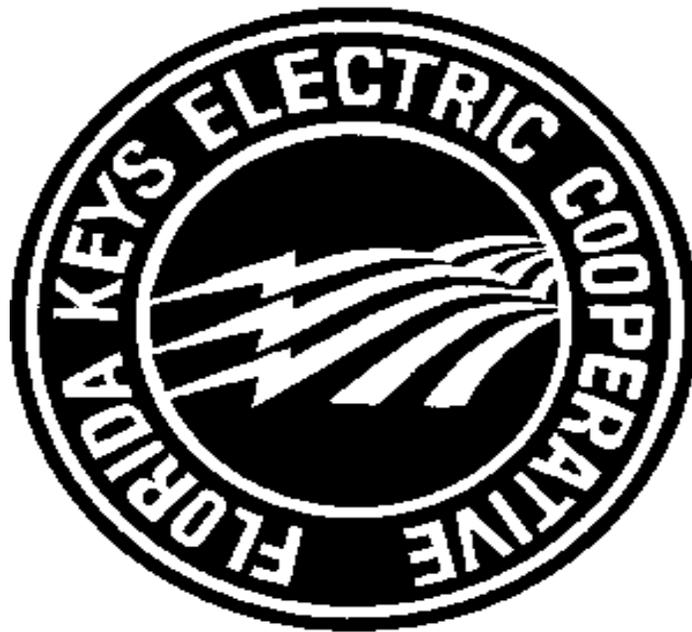


FLORIDA KEYS ELECTRIC
COOPERATIVE ASSOCIATION, INC.

BYLAWS



MAIN OFFICE
91630 Overseas Highway
Post Office Box 377
Tavernier, FL 33070
Phone (305) 852-2431

DISTRICT OFFICE
3421 Overseas Highway
P.O. Box 500066
Marathon, FL 33050
Phone (305) 743-5344

AS AMENDED THROUGH APRIL 23, 2005

BUSINESS HOURS

Offices are open Monday through Friday from 8:00 a.m. to 5:00 p.m. and closed Saturday, Sunday and on designated holidays. Phone business hours are Monday through Friday from 8:00 a.m. to 5:00 p.m.

TELEPHONE NUMBER

During business hours all telephone calls are received at the office. Call Tavernier (305) 852-2431 or Marathon (305) 743-5344. The fax number at Tavernier is (305) 852-4794. Do not call after business hours to order a connect or disconnect, or to inquire about your bill or other business matters.

REPORTING OUTAGES AND TROUBLE

When the lights go out:

1. Check the main fuse panel or breaker panel.
2. Check your equipment.
3. Check with your neighbors.
4. If the outage is not caused by a blown fuse or faulty equipment call Florida Keys Electric Cooperative immediately.

Notify us if you see anything on our lines that may cause trouble. Common causes include broken insulators, grass fires, tree branches, or accidents, which may affect continuity of electric service.

Call Tavernier (305) 852-2431 or Marathon (305) 743-5344, anytime day or night, to report an outage or trouble on our facilities.

Please have your name, account number, address and telephone number available when you call.

**TABLE OF CONTENTS
BYLAWS**

ARTICLE I	MEMBERSHIP	1
Section 1.	Requirements for Membership	
Section 2.	Joint Membership	
Section 3.	Conversion of Membership	
Section 4.	Membership and Service Connection Fee	
Section 5.	Purchase of Electric Energy	
Section 6.	Termination of Membership and Reinstatement	
Section 7.	Suspension and Reinstatement of Membership	
Section 8.	Unclaimed Membership Deposits and Other Amounts Due Members	
ARTICLE II	RIGHTS AND LIABILITIES OF MEMBERS	5
Section 1.	Property Interest of Members	
Section 2.	Non-Liability of Members for Debt of the Cooperative	
ARTICLE III	MEETINGS OF MEMBERS.....	6
Section 1.	Annual Meeting	
Section 2.	Special Meetings	
Section 3.	Notice of Members' Meeting	
Section 4.	Quorum	
Section 5.	Voting	
Section 6.	Order of Business	
ARTICLE IV	TRUSTEES	8
Section 1.	General Powers	
Section 2.	Tenure	
Section 3.	Qualifications	
Section 4.	Districts and Representation of Trustees	
Section 5.	Representation by Districts of the Board of Trustees	
Section 6.	Candidates and Election	
Section 7.	Removal of Trustees	
Section 8.	Vacancies	
Section 9.	Compensation	
ARTICLE V	MEETINGS OF TRUSTEES	15
Section 1.	Regular Meetings	
Section 2.	Special Meetings	
Section 3.	Notice of Trustees' Meeting	
Section 4.	Quorum	

Section 5.	Open Meetings	
Section 6.	Executive Sessions	
Section 7.	Telephone and Video Conferencing	
ARTICLE VI	OFFICERS	17
Section 1.	Officers	
Section 2.	Election and Term of Office	
Section 3.	Vacancies	
Section 4.	Removal of Officers and Agents by Trustees	
Section 5.	President	
Section 6.	Vice President	
Section 7.	Secretary	
Section 8.	Treasurer	
Section 9.	Chief Executive Officer	
Section 10.	Bonds of Officers	
Section 11.	Compensation	
Section 12.	Reports	
Section 13.	Vote of Presiding Officer	
ARTICLE VII	NONPROFIT OPERATION	20
Section 1.	Interest or Dividends on Capital Prohibited	
Section 2.	Patronage Capital in Connection with Furnishing Electric Energy	
Section 3.	Assignment of Gift and Reallocation	
Section 4.	Charitable Contributions	
ARTICLE VIII	DISPOSITION OF PROPERTY	23
ARTICLE IX	SEAL.....	24
ARTICLE X	FINANCIAL TRANSACTIONS	24
Section 1.	Contracts	
Section 2.	Checks, Drafts, etc.	
Section 3.	Deposits	
Section 4.	Fiscal Year	
ARTICLE XI	MISCELLANEOUS	25
Section 1.	Membership in Other Organizations	
Section 2.	Waiver of Notice	
Section 3.	Policies, Rules and Regulations	
Section 4.	Accounting System and Reports	
Section 5.	Controlling Law	

Section 6.	Committees	
Section 7.	Service Area	
Section 8.	Any Lawful Business	
ARTICLE XII	RULES OF ORDER	26
Section 1.	Guide for Parliamentary Rules	
ARTICLE XIII	AMENDMENTS	27

INTRODUCTION

The Florida Keys Electric Cooperative Association, Inc. was established January 20, 1940 to provide electric service in an area not served by other utilities. Incorporated under the laws of the State of Florida it is owned and controlled by the members, the people receiving electric service.

The Cooperative is a private enterprise operating on a nonprofit basis and all revenues over and above the cost of doing business are returned to members.

The first electric cooperatives were organized in the 1930's. At that time very few people living outside city limits had central station electric service. In many instances, even with federal loans, it was not cost effective for the established power companies to provide electric service in these sparsely populated areas.

To solve this dilemma, federal government set up the Rural Electrification Administration (REA). This federal agency under the United States Department of Agriculture (USDA) was organized to provide cooperatives with low interest loans to establish electric service in rural areas. People in these areas formed cooperatives and borrowed the necessary capital from the REA to construct power facilities to their homes and farms. Supplemental private loans are provided at market rates to cooperatives by the National Rural Utilities Cooperative Finance Corporation (CFC).

In December 1994, the Rural Electrification Administration (REA) changed its name to Rural Utilities Services (RUS). Where applicable, all references to REA shall be known to be RUS.

Cooperative members elect the Board of Trustees. The Board of Trustees establishes policies and reviews operational procedures thereby promoting a progressive, financially sound electric utility.

As used in these bylaws, the masculine pronoun "he", "him", or "his" shall be taken to refer to the person intended regardless of gender when the facts require it.

The bylaws, which follow, provide the guidelines for conducting the business of the Cooperative.

BYLAWS
OF
FLORIDA KEYS ELECTRIC COOPERATIVE ASSOCIATION, INC.

ARTICLE I

Membership

Section 1. Requirements for Membership. Any natural person, firm, association, corporation business or other trust, partnership, federal agency, State of Florida or any political subdivision or agency thereof (each hereinafter referred to as "person", "applicant", "him", "his" or "member") within the Cooperative's designated service area shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by him, to receive electric service from Florida Keys Electric Cooperative Association, Inc., (hereinafter called the "Cooperative") by:

- (a) filing a written application for membership therein;
- (b) agreeing to purchase from the Cooperative electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any and all policies, rules and regulations, rate classifications and rate schedules adopted by the Board of Trustees; and
- (d) paying the fees and deposits hereinafter specified.

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

Section 2. Joint Membership. Two or more persons by jointly executing the same membership application 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 all persons within a joint membership applying for and holding a joint membership unless clearly distinguished in the text and any provisions relating to the rights and liabilities of membership shall apply equally, severally and jointly 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 to the holders of a joint membership shall be as follows:

- (a) the presence at a meeting of one or more persons in a joint membership shall constitute the presence of one member and shall constitute a joint waiver of notice of meeting;
- (b) the vote of one or more persons in a joint membership shall constitute one joint vote;
- (c) a waiver of notice signed by one or more persons in a joint membership shall constitute a joint waiver;
- (d) notice to one or more persons in a joint membership shall constitute notice to the joint membership;
- (e) expulsion of one or more persons in a joint membership shall terminate the joint membership;
- (f) withdrawal of one or more persons in a joint membership shall constitute termination of the joint membership;
- (g) only one person in a joint membership shall be eligible to serve as a trustee or may be elected or appointed as a trustee of the Cooperative, provided that person elected or appointed meets the qualifications for such office.

Section 3. Conversion of Membership

- (a) A membership may be converted to a joint membership upon the written request of the joint holders thereof and the agreement by such joint holders to comply with the articles of incorporation, bylaws, policies, and rules and regulations adopted by the Board of Trustees.

- (b) Upon the death of a joint holder who is a party to a joint membership, such membership shall be held solely by the survivor(s) provided, however, that the estate of the deceased shall not be released from the debt due the Cooperative.

Section 4. Membership and Service Connection Fees. A member shall be eligible for a service connection upon the payment of the fees and deposits for the particular service requested in accordance with the Cooperative's tariffs adopted by the Board of Trustees, and filed with the Florida Public Service Commission. Upon termination of the service connection, the fees and deposits are refundable in accordance with the Cooperative's policies and procedures.

Section 5. Purchase of Electric Energy. Each member shall purchase from the Cooperative all electric energy used on the premises specified in his application for membership, except through private generators in times of power outages, and shall pay therefor monthly at rates which shall from time to time be fixed by the Board of Trustees, provided, however, that the Board of Trustees may limit the amount of electric energy which the Cooperative shall be required to furnish to any one member. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with the Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative.

It is expressly understood that amounts paid for electric energy in excess of the cost of service 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 the Cooperative a minimum amount per month 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 to the Cooperative as and when the same shall become due and payable. If not paid when due, penalties as fixed by the Board of Trustees must be paid, or service to such member may be discontinued until such penalty is paid.

Section 6. Termination of Membership and Reinstatement.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board of Trustees may prescribe. The Board of Trustees of the Cooperative may, by the affirmative vote of not less than two-thirds of all the trustees, expel any member who shall have refused or failed to comply with any of the provisions of the articles of incorporation, bylaws or policies, rules or regulations adopted by the Board of Trustees, but only if such member shall have been given written notice by the Cooperative that such refusal or failure makes him liable to expulsion and such refusal or failure shall have continued for at least ten (10) days after such notice was given.

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

- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member, his successors, assigns or his estate from any debts due the Cooperative.

Section 7. Suspension and Reinstatement of Membership. Upon his failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Cooperative's generally publicized applicable policies, rules and regulations, to pay any amounts due the Cooperative or to cease any other non-compliance with his membership obligations, a person's membership shall automatically be suspended; and he shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of the members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other non-compliance with his membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its members.

Section 8. 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 a membership, deposit or other amounts due the member, other than the retirement of capital credits, by the Cooperative within 360 days 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; the return of a check mailed to the last address provided by the member or the failure of the member to request a refund of amounts due 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 no more than 360 days from either the date of the check issued in payment for the amounts due the member, or the date the member was first entitled to a refund, provided, however, that such assignment or gift shall not be effective until thirty (30) 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 membership, deposits and other amounts due members that are ten (10) months old must be claimed within thirty (30) days of the date of publication or be deemed irrevocably assigned as set forth in this bylaw.”

ARTICLE II

Rights and Liabilities of Members

Section 1. Property Interest of Members. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in

these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the ten years next preceding the date of the filing of certificates of dissolution.

Section 2. Non-Liability of Members for Debts of the Cooperative. The private property of the members excluding capital credits shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE III

Meetings of Members

Section 1. Annual Meeting. The annual meeting of the members shall be held beginning with the year 1986, at such place, date, and time as fixed by the trustees, in the area served, in the County of Monroe, State of Florida, and shall be designated in the notice of the meeting for the purpose of passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Trustees to make adequate plans and preparations for the annual meeting. 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 upon a written request signed by any three (3) trustees, by the President or a written request signed by the number of members required to call a meeting pursuant to applicable law, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the area served by the Cooperative in the County of Monroe, State of Florida, as designated by the Board of Trustees and specified in the notice of the special meeting.

Section 3. Notice of Members' Meeting. Written or printed notice stating the place, day, and hour of the meeting and, in case of a special meeting

or an annual meeting, at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than twenty-five (25) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty of the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action, which may be taken by the members at any such meeting.

Section 4. Quorum. The total number of members required to be present to constitute a quorum at an annual meeting or any special meeting shall be the percentage of the Cooperative's members as specified in applicable law. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice, provided that the Secretary shall notify all members of the time and place of such adjourned meeting. The minutes of any meeting shall contain the names of all members present in person.

Section 5. Voting. Each member who is not in the status of suspension as provided in Article I, Section 7 and who currently is receiving service shall if present in person be entitled to only one (1) vote regardless of the number of meters in his name upon each matter submitted to a vote at a meeting of the members. At all meetings of the members all questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the articles of incorporation, or these bylaws. Voting by members, other than members who are natural persons, shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. Members may not cumulate their votes or vote by mail or proxy.

Section 6. Order of Business. The order of business at the annual meeting of the members and, so far as practicable or desirable, at all other meetings of the members, shall be essentially as follows except as otherwise determined by the members at such meeting:

- (1) Report as to the number of members present in person 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 thereof, 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) Unfinished business.
- (6) New business.
- (7) Comments of members.
- (8) Adjournment.

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

ARTICLE IV

Trustees

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine trustees, which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation, or these bylaws conferred upon or reserved to the members.

Section 2. Tenure. Trustees from each district shall serve for a period of three (3) years except as provided in Section 6 hereunder; provided, however, all such trustees shall hold office until their respective successors are elected and qualified.

Section 3. Qualifications.

- (1) No person shall be eligible to become or remain a trustee or to hold any position of trust in the Cooperative who:
 - (a) is a minor; or
 - (b) is not a member in the district which he represents; or
 - (c) is not a bona fide resident in residency of the district he represents; or
 - (d) does not have 12 months residency in the service area; or
 - (e) is in any way employed by or has substantial financial interest in a competing enterprise or a business selling electric energy or supplies to the Cooperative or is the incumbent for an elective public office in connection with which a salary or compensation is paid.

When it appears that a trustee is holding office in violation of any of the provisions of this Section 3(1), the Board shall conduct a review and hearing of the matter at a regular Board meeting, or at a special meeting called for that purpose, provided, however, that the affected trustee shall first be provided with written notice at least 10 days prior to the meeting, which notice shall specifically set forth the challenge to the trustee's qualifications. A finding by the Board, by majority vote (without the participation of the affected trustee), that the trustee violated any of the provisions of Section 3(1), shall operate as the immediate removal of the trustee without further action by the Board. Any vacancy thereby created may be filled in accordance with Section 8 of this Article.

- (2) 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.
- (3) If a trustee fails to attend three consecutive regular meetings of the Board of Trustees, without providing a reasonable excuse, the trustee may be removed from office by a majority vote of the remaining trustees. Action to remove such trustee shall be taken no sooner than the next regular meeting of the Board following the third absence, and notice of the proposed action shall be personally delivered to the trustee at least 10 days prior to the meeting. The affected trustee shall be afforded the opportunity to explain the reasons for the absences at any meeting where action for removal is proposed, and any vacancy created by removal shall be filled in accordance with Section 8 of this Article.
- (4) Only one joint member per joint membership may be elected a trustee.

Section 4. Districts and Representation of Trustees. The area served by the Cooperative shall be divided into four (4) districts as follows:

- (a) District No. 1 shall cover the area northeast of the section line common to sections 6 and 7, TWP-62S., R. 39E., southerly of Mandalay Subdivision.
- (b) District No. 2 shall cover the area southeast of the section line as established southerly of Mandalay Subdivision and northeast of Snake Creek.
- (c) District No. 3 shall cover the area southwest of Snake Creek and northeast of the north end of the Long Key Bridge.
- (d) District No. 4 shall cover the area southwest of the north end of the Long Key Bridge.

Section 5. Representation by Districts of the Board of Trustees. There shall be two trustees elected from each district. The district with the greater number of members shall be entitled to one additional trustee.

Section 6. Candidates and Election. All trustees shall be elected in the following manner:

- (1) Trustees shall be elected from each voting district at an election in such district called for that purpose on a date which shall be not less than fifteen (15) days nor more than forty (40) days prior to the expiration of the term of office of the then trustee or trustees in such district and prior to the annual meeting of the members provided for in Article III, Section 1, such election to be known as district election, and to advertise notice of such election and date and the qualifications for proposed candidates for two successive weeks, in at least two newspapers of general circulation in the Cooperative service area, the first advertised notice at least sixty (60) days prior to the district election.
- (2) The Board of Trustees shall call and set the date for each district election. Nominations for trustee may be made by petition of fifteen (15) or more members of the district not less than forty-five (45) days prior to the district election and such nominations shall be posted by the Secretary at the principal office of the Cooperative. In the event only one qualified member from a district is so nominated, that member shall be declared elected in which event no election need be held for such office.
- (3) After the district election date has been set, the Secretary of the Cooperative shall send a notice to each member residing or doing business in the district specifying the date, time, and place of the election, and the names of all duly nominated candidates for trustee. The election shall be held in the district and the notice of the election shall be mailed not less than 7 days prior to the election.
- (4) Each member voting at the district election who is not in the status of suspension and is currently receiving service shall be entitled to one (1) vote in the district in which he resides, unless by written notification to the Cooperative at least fifteen (15) days before the election the member elects to cast his vote in a district where he has a meter in his name other than the district in which he resides. No member at any district election shall be permitted to vote by proxy or by mail. Voting by members other than members who are

natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at the district election, of satisfactory evidence entitling the person presenting the same to vote.

- (5) An inspector of election and as many assistant inspectors as shall be necessary shall be designated and appointed by the Board of Trustees for each district election, and such inspector of election and assistant inspectors shall supervise and record the proceedings and vote of such district election and shall certify said proceedings and vote to the Board of Trustees. An employee or trustee of the Cooperative may not serve as an election inspector.
- (6) The certification of the inspector of election and such assistant inspectors as may be appointed, of the election of a trustee by any district election, shall be taken by the Cooperative as conclusive of the election of such trustee at such district election.
- (7) Each candidate may designate poll watchers, any two of whom shall be allowed access to the premises during the hours of voting and for whatever period of time is necessary before and after the hours of voting in order to check the totals on the voting machines at the same time as said totals are being checked by inspectors of election. Poll watchers are prohibited from participating in any campaign activities whatsoever during the hours of voting. Participating in such campaigning shall subject any such poll watcher to immediate and permanent ejection from the premises by the inspector of election.
- (8) The trustee elected at the district election shall take office and assume the duties and responsibilities thereof at the first meeting of the Board of Trustees, whether special or regular, after the annual membership meeting as provided by Article III, Section 1. He shall hold office for the term for which he was elected or until his successor has been elected and qualified.
- (9) Should a trustee move his place of residence from his voting district, a vacancy in his office shall be declared by the Board of Trustees in accordance with Section 3(1) of this Article, and the vacancy shall be filled in accordance with Section 8 of this Article.

- (10) Any error or omission in the giving of any notice or the holding of any meeting as herein provided shall not affect in any manner whatsoever the validity of the election of any trustee.
- (11) Trustees shall be elected by a plurality vote that is that one candidate receives more of the votes than any other candidate, of the members voting in each voting district. In the event of a tie vote in any district election, the winner shall be determined by a runoff election.

Section 7. Removal of Trustees.

1. By the Members: Any member may file a petition with the Secretary of the Board of Trustees for the removal of a trustee for cause if the petition for removal includes the signatures of, (1) 200 members of the trustee's district, or (2) that number of members of the district at least equal to the number of members who voted to elect the trustee, whichever number is the greater. The petition shall state with particularity the grounds alleged to constitute cause for removal. The Secretary shall notify the affected trustee of the petition in writing by mail, certified return receipt, or by hand delivery, not less than twenty (20) days prior to the meeting of the Board of Trustees at which the allegations in the petition are to be considered. Such notice shall include a copy of the petition. The affected trustee shall have an opportunity at the meeting to be heard in person, or by counsel, and to present evidence in respect to the allegations and the person or persons filing the petition shall have the same opportunity. The President shall determine the order and procedure for hearing the petition at the meeting. All members of the Cooperative shall be notified of the petition and the date and time of the meeting at which the petition will be heard, as provided in Article III, Section 3 of these Bylaws. The question of the removal of such trustee shall be considered and determined by a majority of the trustees present and voting at the meeting, and in the event the Board does not remove the trustee, the question of removal shall then be acted upon at the next regular or special meeting of the members. If two-thirds of the members present and voting at such meeting vote for removal, the trustee shall be

removed. Any vacancy created by such removal may be filled by the Board of Trustees in accordance with Section 8 of this Article.

2. **By Board of Trustees:** Any member of the Board of Trustees may call for removal for cause of a fellow trustee by filing with the Secretary a written statement of the allegations constituting cause for removal which statement shall include the signatures of not less than four (4) trustees. Written notification of the charges shall be served on the affected trustee by mail, certified return receipt, or by hand delivery, not less than twenty (20) days prior to the meeting at which the charges are to be considered by the Board of Trustees. The trustee 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 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 petition at the meeting. All 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 a majority of the trustees present and voting at the meeting. Any vacancy created by such removal may be filled by the Board of Trustees in accordance with Section 8 of this Article.

Section 8. Vacancies. A vacancy occurring in the Board of Trustees shall be filled by the affirmative vote of a majority of the remaining trustees without compliance with the nomination requirements of Section 6 of this Article. The trustee so appointed shall hold office for the balance of the unexpired term.

Section 9. Compensation. Without approval of the members, trustees shall not receive any salary for their services as trustees and, except in emergencies, shall not be employed by the Cooperative. The Cooperative may, at its expense, provide members of the Board of Trustees with medical and/or insurance plans, and a fixed fee and expenses of attendance may be allowed to each trustee for any regular or special meeting of the Board of Trustees or any committee meeting to which the trustee has been appointed a committee member or has been requested by the committee chairman to attend such meeting, each meeting of the

Board of Trustees or committee meeting of the Board of Trustees attended by such trustee; and such fees and expenses may be allowed for the performance of other Cooperative business provided it has the approval of the Board of Trustees. No close relative of a trustee shall be employed by the Cooperative and no trustee shall receive compensation for serving the Cooperative in any capacity unless the payment of the compensation shall be specifically authorized by a vote of the members or the service by such trustee or close relative shall have been certified by the Board of Trustees as an emergency measure.

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

ARTICLE V

Meetings of Trustees

Section 1. Regular Meetings. A regular meeting of the Board of Trustees shall be held monthly at such date, time and place in the area served by the Cooperative in Monroe County, Florida as the Board of Trustees may provide by resolution. Except when business to be transacted thereat requires special notice, such regular meeting may be held without notice other than the resolution fixing the date, time and place thereof. A meeting of the Board of Trustees shall be held immediately after, and at the same place as, the annual meeting of members for the purpose of electing officers of the Cooperative and such other business as may be brought before the meeting.

Section 2. Special Meetings. Special meetings of the Board of Trustees may be called by the President or by any three 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 date, time and place (which shall be in the area served in Monroe County, Florida), for the holding of the meeting.

Section 3. Notice of Trustees' Meeting. Written notice of the date, 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 or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the trustee 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 address as it appears on the records of the Cooperative, with first class postage thereon prepaid.

Section 4. Quorum. The presence in person of a majority of the Board of Trustees shall constitute a quorum and shall be required for the transaction of business and the affirmative votes of a majority of the trustees present and voting shall be required for any action to be taken 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 date, 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.

Section 5. Open Meetings. All regular and special meetings of the Board of Trustees shall be open to members and to representatives of the news media in order to maintain an informed membership and to encourage member interest in the functioning of the Cooperative in accordance with applicable law. Reasonable notice of the date and time of each meeting shall be provided to the members, which notice may be by posting written notification thereof in a conspicuous place in each business office of the Cooperative or may be by publication in at least two newspapers of general circulation in the Cooperative's service area, as time permits.

Section 6. Executive Sessions. On occasion, it will be necessary for the Board of Trustees to meet in executive session, to the exclusion of the membership and news media, for consideration of certain proprietary confidential business matters as defined in Section 366.093, Florida Statutes or other applicable law. It shall be the policy of the Board of Trustees to confine the subjects discussed in executive session to an absolute minimum and no decisions shall be made by the Board of Trustees in executive session.

Section 7. Telephone and Video Conferencing. At any regular or special meeting of the Board of Trustees, Trustees may appear in person, by telephone, or by video conferencing, so long as in either case all Trustees can be heard at the same time.

ARTICLE VI

Officers

Section 1. Officers. The officers of the Cooperative shall be a President, Vice-President, Secretary, Assistant Secretary, Treasurer, and such other officers as may be determined by the Board of Trustees from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers shall be elected by majority vote of the Trustees voting by secret written ballot, annually by and from the Board of Trustees at the meeting of the Board of Trustees held directly 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 annual meeting of the members or until his successor shall have been elected by majority vote and shall have qualified.

Section 3. Vacancies. A vacancy in any office elected or appointed by the Board of Trustees shall be filled by the Board of Trustees for the unexpired portion of the term.

Section 4. 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 interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges for cause against an officer or agent by filing such charges in writing with the Secretary, together with a petition signed by ten percent (10%) of the members, and request the removal of the particular officer by reason thereof. The officer or agent against whom such charges have been brought shall be informed in writing by personal delivery of the charges at least thirty (30) days prior to the trustees' 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 shall have the same opportunity. In the event that the Board of Trustees does not remove such officer or agent the question of the removal of such officer or agent shall be considered and voted upon at a special meeting of the members called for that purpose.

Section 5. President. The President shall:

- (a) be the principal executive 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, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by resolution of the Board of Trustees to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Trustees or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to otherwise be 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 6. Vice-President. In the absence of the President or in the event of his 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 by the Board of Trustees.

Section 7. Secretary. The Secretary and Assistant Secretary, if any, shall be responsible for:

- (a) keeping the minutes of the meeting of the members and of the Board of Trustees in one or more books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;

- (c) being custodian of the corporate books and records and of 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 provision of these bylaws or as required by law;
- (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 by the Board of Trustees.

Section 8. 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 from any source whatsoever, and for the deposit and investment of all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected in accordance with the provisions of these bylaws;
- (c) all books and accounts and records reflecting the financial transactions of the Cooperative and;
- (d) in general perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Board of Trustees.

Section 9. Chief Executive Officer. The Board of Trustees shall employ a Chief Executive Officer. The 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.

Section 10. 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 be bonded in such amount and with such surety as it shall determine and the Cooperative shall pay premiums for all such bonds.

Section 11. Compensation. The powers, duties and compensation of any officers, agents, and Chief Executive Officer shall be fixed or a plan therefore approved by the Board of Trustees, subject to the provisions of these bylaws with respect to compensation for trustees and close relatives of trustees.

Section 12. 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.

Section 13. Vote of Presiding Officer. The presiding officer at any regular or special meeting of the Board of Trustees shall have one vote on any matter coming before the Board of Trustees for action by vote of the Board of Trustees.

ARTICLE VII

Nonprofit Operation

Section 1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a Cooperative nonprofit 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 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Cooperative's operations

shall be so conducted that all members will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all members for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each 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 member of the amount of capital so credited to his account. 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 legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its members on a patronage basis and any amount so allocated shall 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 that the financial condition of the Cooperative will not be impaired thereby, and that the provisions of the mortgages to any financing institution to which the Cooperative is indebted will be satisfied, the capital then credited to members' and former members' accounts may be retired in full or in part. After April 15, 1995, and

thereafter, the Board of Trustees shall determine the method, basis, priority and order of retirement, if any, for all amounts thereafter furnished as capital.

Capital credited to the account of each member and former 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 in all or a part of such member's premises served by the Cooperative unless the Board of Trustees, acting under policies of general application, shall determine otherwise.

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 a copy in a conspicuous place in the Cooperative's office. A copy of the bylaws shall be given to each new member upon signing an application for membership.

Section 3. Assignment of Gift and Reallocation. Assignment of gift and reallocation by failure to claim. Notwithstanding any other provision of the bylaws or other provision of the membership certificate, if any member or former member fails to claim any cash retirement of capital credits or other payment from the Cooperative within five (5) years after payment of the same has been declared payable to him by notice or check mailed to him at his last address furnished by him to the Cooperative, such failure shall be and constitutes an irrevocable assignment and gift by such member of such capital credit or other payment to the Cooperative and shall be reallocated, on a patronage basis. Failure to claim any such payment within the meaning of this section shall include the failure by such member or former member to cash any check mailed to him by the Cooperative at the last address furnished by him to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of five (5) years from the date when such payment was declared payable to such member or former member without claim therefore and only after the further expiration of sixty (60) days following the giving of a notice by mail or publication that unless such

payment is claimed within said sixty (60) day period, such gift to the Cooperative shall become effective. Assignments and gifts as defined herein will be allocated to those members who received services in the calendar year in which the gift becomes effective. The notice by mail herein provided if given shall be one mailed by the Cooperative to such member or former member at the last known address. If notice by publication is given, such publication shall be one insertion in a newspaper circulated in the service area of the Cooperative, which may be the Cooperative newsletter. The sixty (60) day period following the giving of such notice either by mail or publication shall be deemed to terminate sixty (60) days after the mailing or publication of such notice.

Section 4. - Charitable Contributions. For the purposes of these bylaws, amounts received by the Cooperative from its members for charitable contributions to be distributed to the FKEC Members Charitable Trust, or to any other charitable organization, shall not be included in the Cooperative's operating revenue and patronage capital, and such amounts shall not be included in any calculation of capital credits allocated to the members. Any funds received by the Cooperative for such charitable purposes shall be accounted for separately.

ARTICLE VIII

Disposition of Property

The Cooperative may not sell, lease, or otherwise dispose of all or any substantial portion of its property unless such sale, lease or other disposition is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than two-thirds of all the members of the Cooperative, and unless the notice of such proposed sale, lease, or other disposition shall have been contained in the notice of the meeting. However, notwithstanding anything herein contained, 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 deed of trust or other encumbrance 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 bank, financial institution, corporation, or person lending money or credit to the Cooperative.

ARTICLE IX

Seal

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words, "Corporate Seal, 1940."

ARTICLE X

Financial Transactions

Section 1. Contracts. Except as otherwise provided by law or in these bylaws, the Board of Trustees may authorize any officer or officers, or agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

Section 3. Deposits. All refunds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board 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 may become a member of any nonprofit organization without notice to and without an affirmative vote of the members, if in the sole decision of the Board of Trustees certain advantages are to be gained by the Cooperative by becoming such a member.

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 or any notice that may otherwise be legally required, either before or after such notice is required to be given. 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 power to make, adopt, amend or rescind, from time to time, such policies, rules and regulations, rate classifications, and rate schedules which are 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 of the Cooperative's financial operations and conditions which conform to applicable laws and rules and regulations of any regulatory body having appropriate jurisdiction. The Board of Trustees shall, after the close of each fiscal year cause to be made by an independent certified public accountant a full and accurate audit of accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such audit shall be performed in accordance with generally accepted auditing standards and shall accordingly include such tests of the accounting records and such other auditing procedures, as the accountants deem necessary in the circumstances. A report of such audit shall be submitted to the members at the following annual meeting. The Board of Trustees

may authorize special audits, complete or partial, at any time and for any specified period of time.

Section 5. Controlling Law. Nothing contained within these bylaws shall be construed so as to contravene or conflict with the laws of the State of Florida or the United States and all statements within these bylaws shall be an affirmation of the Florida Statutes insofar as is applicable.

Section 6. Committees. The Board of Trustees shall have the right from time to time to establish committees for any purpose and to appoint the members of the Board of Trustees to such committees.

Section 7. Service Area. The Board of Trustees shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative's established service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

Section 8. Any Lawful Business. In addition to providing electric services to its members, the Cooperative may engage in any lawful business for any lawful purpose, when, in the judgement of the Board of Trustees, it would be prudent to do so for the benefit of the members.

ARTICLE XII

Rules of Order

Section 1. Guide for Parliamentary Rules. Parliamentary procedure at all meetings of the members, of the Board of Trustees, of any committee provided for in these bylaws and of any other committee of the members of the Board of Trustees which may from time to time be duly established shall be governed by the most recent edition of Robert's Rules of Order Newly Revised, except to the extent such procedure is otherwise determined by law or by the Cooperative's articles of incorporation or bylaws.

ARTICLE XIII

Amendments

These bylaws may be altered, amended, or repealed by the affirmative vote of not less than two-thirds of the members present and voting at any regular or special meeting, provided that a copy of the proposed alteration, amendment or repeal is submitted to the Secretary in writing sixty (60) days prior to the regular or special meeting, and that the Secretary publishes notice of such meeting which notice shall contain a copy of the proposed alteration, amendment or repeal.