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Form **990**

Department of the Treasury
Internal Revenue Service

# Return of Organization Exempt From Income Tax

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

► The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

**2009**

**Open to Public Inspection**

**For the 2009 calendar year, or tax year beginning , 2009, and ending ,**

B Check if applicable: [ ] Address change [ ] Name change [ ] Initial return [ ] Termination [ ] Amended return [ ] Application pending

Please use IRS label or print or type. See specific Instructions.

C Diverse Power Incorporated
1400 SOUTH DAVIS ROAD
LAGRANGE, GA 30241

D Employer Identification Number: 58-0465897

E Telephone number: 706-845-2000

G Gross receipts $ 59,822,557.

F Name and address of principal officer: R. WAYNE LIVINGSTON
Same As C Above

H(a) Is this a group return for affiliates? [ ] Yes [X] No

H(b) Are all affiliates included? [ ] Yes [ ] No
If 'No,' attach a list (see instructions)

I Tax-exempt status [X] 501(c) ( 12 ) ◄ (insert no) [ ] 4947(a)(1) or [ ] 527

J Website: ► N/A

H(c) Group exemption number ►

K Form of organization [X] Corporation [ ] Trust [ ] Association [ ] Other ►

L Year of Formation 1936

M State of legal domicile GA

## Part I Summary

**Activities & Governance**

1 Briefly describe the organization's mission or most significant activities: TO PROVIDE THE BEST POSSIBLE ELECTRIC SERVICE TO ALL WHO DESIRE IT WITHIN THE SYSTEM AREA AT A REASONABLE COST CONSISTENT WITH THE HIGHEST STANDARDS OF SERVICE.

2 Check this box ► [ ] if the organization discontinued its operations or disposed of more than 25% of its assets.

| | | | |
|---|---|---|---|
| 3 | Number of voting members of the governing body (Part VI, line 1a) | 3 | 9 |
| 4 | Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 9 |
| 5 | Total number of employees (Part V, line 2a) | 5 | 92 |
| 6 | Total number of volunteers (estimate if necessary) | 6 | 0 |
| 7a | Total gross unrelated business revenue from Part VIII, column (C), line 12 | 7a | -70,552. |
| b | Net unrelated business taxable income from Form 990-T, line 34 | 7b | -70,552. |

| | | | Prior Year | Current Year |
|---|---|---|---|---|
| Revenue | 8 | Contributions and grants (Part VIII, line 1h) | | |
| | 9 | Program service revenue (Part VIII, line 2g) | 54,405,987. | 59,502,895. |
| | 10 | Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 89,608. | 109,509. |
| | 11 | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 93,782. | 210,153. |
| | 12 | Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 54,589,377. | 59,822,557. |
| Expenses | 13 | Grants and similar amounts paid (Part IX, column (A), lines 1-3) | | |
| | 14 | Benefits paid to or for members (Part IX, column (A), line 4) | | |
| | 15 | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 442,073. | 485,368. |
| | 16a | Professional fundraising fees (Part IX, column (A), line 11e) | | |
| | b | Total fundraising expenses (Part IX, column (D), line 25) ► | | |
| | 17 | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) | 52,623,402. | 59,166,569. |
| | 18 | Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) | 53,065,475. | 59,651,937. |
| | 19 | Revenue less expenses Subtract line 18 from line 12 | 1,523,902. | 170,620. |

| | | | Beginning of Year | End of Year |
|---|---|---|---|---|
| Net Assets or Fund Balances | 20 | Total assets (Part X, line 16) | 102,214,556. | 106,227,957. |
| | 21 | Total liabilities (Part X, line 26) | 57,009,216. | 60,330,342. |
| | 22 | Net assets or fund balances Subtract line 21 from line 20 | 45,205,340. | 45,897,615. |

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## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

**Sign Here**

► Signature of officer — Date 5/3/10

► R. WAYNE LIVINGSTON — Pres/CEO, Treas
Type or print name and title

**Paid Preparer's Use Only**

Preparer's signature ► — Date APR 20 2010 — Check if self-employed ► [ ] — Preparer's identifying number (see instructions) P00347246

Firm's name (or yours if self-employed), address, and ZIP + 4 ► McNair, McLemore, Middlebrooks
Post Office Box One
Macon, GA 31202-0001

EIN ► 58-1094351

Phone no ► (478) 746-6277

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.**

TEEA0113L 12/29/09 Form **990** (2009)

SCANNED MAY 11 2010

9

**Part III Statement of Program Service Accomplishments**

1 Briefly describe the organization's mission

TO PROVIDE THE BEST POSSIBLE ELECTRIC SERVICE TO ALL WHO DESIRE IT WITHIN THE SYSTEM AREA AT A REASONABLE COST CONSISTENT WITH THE HIGHEST STANDARDS OF SERVICE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If 'Yes,' describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code ) (Expenses $ 59,651,937. including grants of $ ) (Revenue $ 59,502,895.)

TO PROVIDE THE BEST POSSIBLE ELECTRIC SERVICE TO ALL WHO DESIRE IT WITHIN THE SYSTEM SERVICE AREA AT THE LOWEST PRICE CONSISTENT WITH THE HIGHEST STANDARDS OF SERVICE.

4b (Code ) (Expenses $ including grants of $ ) (Revenue $ )

4c (Code ) (Expenses $ including grants of $ ) (Revenue $ )

4d Other program services (Describe in Schedule O.)

(Expenses $ including grants of $ ) (Revenue $ )

**4e Total program service expenses** ► 59,651,937.

## Part IV Checklist of Required Schedules

| | | | Yes | No |
|---|---|---|---|---|
| 1 | Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If 'Yes,' complete Schedule A* | 1 | | X |
| 2 | Is the organization required to complete Schedule B, Schedule of Contributors? | 2 | | X |
| 3 | Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If 'Yes,' complete Schedule C, Part I* | 3 | | X |
| 4 | **Section 501(c)(3) organizations** Did the organization engage in lobbying activities? *If 'Yes,' complete Schedule C, Part II* | 4 | | |
| 5 | **Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If 'Yes,' complete Schedule C, Part III* | 5 | | |
| 6 | Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If 'Yes,' complete Schedule D, Part I* | 6 | | X |
| 7 | Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If 'Yes,' complete Schedule D, Part II* | 7 | | X |
| 8 | Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If 'Yes,' complete Schedule D, Part III* | 8 | | X |
| 9 | Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If 'Yes,' complete Schedule D, Part IV* | 9 | | X |
| 10 | Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If 'Yes,' complete Schedule D, Part V* | 10 | | X |
| 11 | Is the organization's answer to any of the following questions 'Yes'? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable* | 11 | X | |
| | • Did the organization report an amount for land, buildings and equipment in Part X, line 10? *If 'Yes,' complete Schedule D, Part VI* | | | |
| | • Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VII* | | | |
| | • Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part VIII* | | | |
| | • Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If 'Yes,' complete Schedule D, Part IX* | | | |
| | • Did the organization report an amount for other liabilities in Part X, line 25? *If 'Yes,' complete Schedule D, Part X* | | | |
| | • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organizaiton's liability for uncertain tax positions under FIN 48? If *'Yes,' complete Schedule D, Part X* | | | |
| 12 | Did the organization obtain separate, independent audited financial statement for the tax year? *If 'Yes,' complete Schedule D, Parts XI, XII, and XIII* | 12 | | X |
| 12A | Was the organization included in consolidated, independent audited financial statement for the tax year? *If 'Yes,' completing Schedule D, Parts XI, XII, and XIII is optional* — 12 A: Yes X, No | | | |
| 13 | Is the organization a school described in section 170(b)(1)(A)(ii)? *If 'Yes,' complete Schedule E* | 13 | | X |
| 14a | Did the organization maintain an office, employees, or agents outside of the United States? | 14a | | X |
| b | Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If 'Yes,' complete Schedule F, Part I* | 14b | | X |
| 15 | Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If 'Yes,' complete Schedule F, Part II* | 15 | | X |
| 16 | Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If 'Yes,' complete Schedule F, Part III* | 16 | | X |
| 17 | Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If 'Yes,' complete Schedule G, Part I* | 17 | | X |
| 18 | Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If 'Yes,' complete Schedule G, Part II* | 18 | | X |
| 19 | Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If 'Yes,' complete Schedule G, Part III* | 19 | | X |
| 20 | Did the organization operate one or more hospitals? *If 'Yes,' complete Schedule H* | 20 | | X |

**Part IV Checklist of Required Schedules** *(continued)*

| | | | Yes | No |
|---|---|---|---|---|
| 21 | Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If 'Yes,' complete Schedule I, Parts I and II* | 21 | | X |
| 22 | Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If 'Yes,' complete Schedule I, Parts I and III* | 22 | | X |
| 23 | Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If 'Yes,' complete Schedule J* | 23 | X | |
| 24a | Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, and that was issued after December 31, 2002? *If 'Yes,' answer lines 24b through 24d and complete Schedule K If 'No,' go to line 25* | 24a | | X |
| b | Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | 24b | | |
| c | Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | 24c | | |
| d | Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year? | 24d | | |
| 25a | **Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If 'Yes,' complete Schedule L, Part I* | 25a | | |
| b | Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If 'Yes,' complete Schedule L, Part I* | 25b | | |
| 26 | Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If 'Yes,' complete Schedule L, Part II* | 26 | | X |
| 27 | Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection comittee member, or to a person related to such an individual? *If 'Yes,' complete Schedule L, Part III* | 27 | | X |
| 28 | Was the organization a party to a business transation with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | | |
| a | A current or former officer, director, trustee, or key employee? *If 'Yes,' complete Schedule L, Part IV* | 28a | | X |
| b | A family member of a current or former officer, director, trustee, or key employee? *If 'Yes,' complete Schedule L, Part IV* | 28b | | X |
| c | An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If 'Yes,' complete Schedule L, Part IV* | 28c | | X |
| 29 | Did the organization receive more than $25,000 in non-cash contributions? *If 'Yes,' complete Schedule M* | 29 | | X |
| 30 | Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If 'Yes,' complete Schedule M* | 30 | | X |
| 31 | Did the organization liquidate, terminate, or dissolve and cease operations? *If 'Yes,' complete Schedule N, Part I* | 31 | | X |
| 32 | Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If 'Yes,' complete Schedule N, Part II* | 32 | | X |
| 33 | Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If 'Yes,' complete Schedule R, Part I* | 33 | | X |
| 34 | Was the organization related to any tax-exempt or taxable entity? *If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1* | 34 | X | |
| 35 | Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If 'Yes,' complete Schedule R, Part V, line 2* | 35 | | X |
| 36 | **Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If 'Yes,' complete Schedule R, Part V, line 2* | 36 | | |
| 37 | Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If 'Yes,' complete Schedule R, Part VI* | 37 | | X |
| 38 | Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O | 38 | X | |

## Part V Statements Regarding Other IRS Filings and Tax Compliance

| | | | | Yes | No |
|---|---|---|---|---|---|
| 1a Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable | 1a | 21 | | | |
| b Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable | 1b | 0 | | | |
| c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | | | 1c | X | |
| 2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 2a | 92 | | | |
| 2b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? | | | 2b | X | |
| **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return (see instructions) | | | | | |
| 3a Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return? | | | 3a | | X |
| b If 'Yes' has it filed a Form 990-T for this year? *If 'No,' provide an explanation in Schedule O* | | | 3b | | |
| 4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | | | 4a | | X |
| b If 'Yes,' enter the name of the foreign country ► | | | | | |
| See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts. | | | | | |
| 5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | | 5a | | X |
| b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | | 5b | | X |
| c If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? | | | 5c | | |
| 6a Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible? | | | 6a | | X |
| b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible? | | | 6b | | |
| 7 **Organizations that may receive deductible contributions under section 170(c).** | | | | | |
| a Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor? | | | 7a | | |
| b If 'Yes,' did the organization notify the donor of the value of the goods or services provided? | | | 7b | | |
| c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | | 7c | | |
| d If 'Yes,' indicate the number of Forms 8282 filed during the year | 7d | | | | |
| e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | | 7e | | |
| f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | | 7f | | |
| g For all contributions of qualified intellectual property, did the organization file Form 8899 as required? | | | 7g | | |
| h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? | | | 7h | | |
| 8 **Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | | 8 | | |
| 9 **Sponsoring organizations maintaining donor advised funds.** | | | | | |
| a Did the organization make any taxable distributions under section 4966? | | | 9a | | |
| b Did the organization make any distribution to a donor, donor advisor, or related person? | | | 9b | | |
| 10 **Section 501(c)(7) organizations.** Enter | | | | | |
| a Initiation fees and capital contributions included on Part VIII, line 12 | 10a | | | | |
| b Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | | | | |
| 11 **Section 501(c)(12) organizations.** Enter | | | | | |
| a Gross income from other members or shareholders | 11a | 58,023,360. | | | |
| b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them ) | 11b | 625,429. | | | |
| 12a **Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041? | | | 12a | | |
| b If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year | 12b | | | | |

**Part VI** **Governance, Management and Disclosure** *For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

## Section A. Governing Body and Management

| | | | Yes | No |
|---|---|---|---|---|
| 1a Enter the number of voting members of the governing body | 1a 9 | | | |
| b Enter the number of voting members that are independent | 1b 9 | | | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? | | 2 | | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | | 3 | | X |
| 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? | | 4 | | X |
| 5 Did the organization become aware during the year of a material diversion of the organization's assets? | | 5 | | X |
| 6 Does the organization have members or stockholders? See Schedule O | | 6 | X | |
| 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? See Schedule O | | 7a | X | |
| b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? See Sch O | | 7b | X | |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | | | |
| a The governing body? | | 8a | X | |
| b Each committee with authority to act on behalf of the governing body? | | 8b | X | |
| 9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If 'Yes,' provide the names and addresses in Schedule O* | | 9 | | X |

## Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code )*

| | | Yes | No |
|---|---|---|---|
| 10a Does the organization have local chapters, branches, or affiliates? | 10a | | X |
| b If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? | 10b | | |
| 11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form? | 11 | X | |
| 11A Describe in Schedule O the process, if any, used by the organization to review this Form 990 See Schedule O | | | |
| 12a Does the organization have a written conflict of interest policy? *If 'No,' go to line 13* | 12a | X | |
| b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts? | 12b | X | |
| c Does the organization regularly and consistently monitor and enforce compliance with the policy? *If 'Yes,' describe in Schedule O how this is done* See Schedule O | 12c | X | |
| 13 Does the organization have a written whistleblower policy? | 13 | X | |
| 14 Does the organization have a written document retention and destruction policy? | 14 | X | |
| 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? | | | |
| a The organization's CEO, Executive Director, or top management official See Schedule O | 15a | X | |
| b Other officers of key employees of the organization See Schedule O | 15b | X | |
| If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions ) | | | |
| 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? | 16a | | X |
| b If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? | 16b | | |

## Section C. Disclosures

17 List the states with which a copy of this Form 990 is required to be filed ► GA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public See Schedule O

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization.

► DIVERSE POWER INCORPORATED 1400 SOUTH DAVIS RD. 30241 706-845-2000

**Part VII** **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

## Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

**1a** Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organizations's tax year Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees See instructions for definition of 'key employees.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order individual trustees or directors, institutional trustees, officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee

| (A) Name and Title | (B) Average hours per week | (C) Position (check all that apply): Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|---|---|---|---|---|---|---|---|---|
| ROY TOLLERSON, JR. Director | 5.4 | X | | | | | | 18,430. | 0. | 0. |
| LARRY WILLIAMSON Secretary | 11 | X | | X | | | | 23,935. | 0. | 0. |
| WILLIS WOODRUFF Director | 3.4 | X | | | | | | 16,400. | 0. | 0. |
| HARRELL LANDRETH Director | 5.6 | X | | | | | | 21,163. | 0. | 0. |
| RICHARD WILLIAMS Chairman | 7.2 | X | | X | | | | 26,169. | 0. | 0. |
| JIMMY G. BAILEY Director | 14.6 | X | | | | | | 22,524. | 0. | 0. |
| WILLIAM COUCH Director | 5.7 | X | | | | | | 19,495. | 0. | 0. |
| LARRY KEITH Director | 3.9 | X | | | | | | 19,686. | 0. | 0. |
| CHARLES KNIGHT Vice Chairman | 10.5 | X | | X | | | | 24,840. | 0. | 0. |
| DAVID MURPHY Director | 8.3 | X | | | | | | 5,384. | 0. | 0. |
| R. WAYNE LIVINGSTON Pres/CEO, Treas | 40 | | | X | | | | 237,073. | 0. | 50,269. |
| RANDY PRUETT Senior Vice Pres | 40 | | | | | X | | 169,139. | 0. | 35,566. |
| RANDY SHEPARD Senior Vice Pres | 40 | | | | | X | | 163,745. | 0. | 34,562. |
| WADE HALL Senior Vice Pres | 40 | | | | | X | | 152,640. | 0. | 30,573. |
| KIRK A KING Mgr-Construction | 40 | | | | | X | | 102,992. | 0. | 21,770. |
| | | | | | | | | | | |
| | | | | | | | | | | |

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(cont.)*

| (A) Name and Title | (B) Average hours per week | (C) Position (check all that apply): Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **1b Total** ► | | | | | | | | 1,023,615. | 0. | 172,740. |

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ► 5

| | | Yes | No |
|---|---|---|---|
| 3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If 'Yes,' complete Schedule J for such individual* | 3 | | X |
| 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If 'Yes' complete Schedule J for such individual* | 4 | X | |
| 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If 'Yes,' complete Schedule J for such person* | 5 | | X |

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

| (A) Name and business address | (B) Description of Services | (C) Compensation |
|---|---|---|
| SUTHERLAND, ASBILL & BRENNAN, LLP 999 PEACHTREE STREET ATLANTA, GA 3 | ATTORNEY | 263,243. |
| | | |
| | | |
| | | |
| | | |
| | | |

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ► 1

## Part VIII Statement of Revenue

| | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|---|---|---|---|---|---|
| **CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS** | | | | | |
| 1a Federated campaigns | 1a | | | | |
| b Membership dues | 1b | | | | |
| c Fundraising events | 1c | | | | |
| d Related organizations | 1d | | | | |
| e Government grants (contributions) | 1e | | | | |
| f All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | |
| g Noncash contribns included in lns 1a-1f. $ | | | | | |
| h **Total.** Add lines 1a-1f ► | | | | | |
| **PROGRAM SERVICE REVENUE** | Business Code | | | | |
| 2a ELECTRIC SALES | 221000 | 58,023,360. | 58,023,360. | | |
| b POLE RENTAL | 221000 | 1,479,535. | 1,479,535. | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f All other program service revenue | | | | | |
| g **Total.** Add lines 2a-2f ► | | 59,502,895. | | | |
| 3 Investment income (including dividends, interest and other similar amounts) ► | | 109,509. | | | 109,509. |
| 4 Income from investment of tax-exempt bond proceeds ► | | | | | |
| 5 Royalties ► | | | | | |
| | (i) Real / (ii) Personal | | | | |
| 6a Gross Rents | | | | | |
| b Less rental expenses | | | | | |
| c Rental income or (loss) | | | | | |
| d Net rental income or (loss) ► | | | | | |
| | (i) Securities / (ii) Other | | | | |
| 7a Gross amount from sales of assets other than inventory | | | | | |
| b Less cost or other basis and sales expenses | | | | | |
| c Gain or (loss) | | | | | |
| d Net gain or (loss) ► | | | | | |
| **OTHER REVENUE** | | | | | |
| 8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | |
| b Less direct expenses | b | | | | |
| c Net income or (loss) from fundraising events ► | | | | | |
| 9a Gross income from gaming activities See Part IV, line 19 | a | | | | |
| b Less. direct expenses | b | | | | |
| c Net income or (loss) from gaming activities ► | | | | | |
| 10a Gross sales of inventory, less returns and allowances | a | | | | |
| b Less cost of goods sold | b | | | | |
| c Net income or (loss) from sales of inventory ► | | | | | |
| Miscellaneous Revenue | Business Code | | | | |
| 11a ENERGY CONSULTING | 221000 | 280,705. | 280,705. | | |
| b GEMC 220, LLC | 900001 | -6,952. | | -6,952. | |
| c WIRELESS HOMETOWN, LLC | 900001 | -63,600. | | -63,600. | |
| d All other revenue | | | | | |
| e **Total.** Add lines 11a-11d ► | | 210,153. | | | |
| 12 **Total revenue.** See instructions ► | | 59,822,557. | 59,783,600. | -70,552. | 109,509. |

## Part IX Statement of Functional Expenses

**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.**

**All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

| *Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.* | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|---|---|---|---|
| 1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21 | | | | |
| 2 Grants and other assistance to individuals in the U S See Part IV, line 22 | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U.S See Part IV, lines 15 and 16 | | | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 485,368. | 485,368. | 0. | 0. |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B) | 0. | 0. | 0. | 0. |
| 7 Other salaries and wages | | | | |
| 8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) | | | | |
| 9 Other employee benefits | | | | |
| 10 Payroll taxes | | | | |
| 11 Fees for services (non-employees) | | | | |
| a Management | | | | |
| b Legal | | | | |
| c Accounting | | | | |
| d Lobbying | | | | |
| e Prof fundraising svcs. See Part IV, ln 17 | | | | |
| f Investment management fees | | | | |
| g Other | | | | |
| 12 Advertising and promotion | | | | |
| 13 Office expenses | | | | |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | | | | |
| 17 Travel | | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | | | | |
| 20 Interest | 2,941,394. | 2,941,394. | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 5,216,968. | 5,216,968. | | |
| 23 Insurance | | | | |
| 24 Other expenses Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below ) | | | | |
| a Purchased Power | 39,968,162. | 39,968,162. | | |
| b Distribution Maintenance | 4,739,423. | 4,739,423. | | |
| c Consumer Accounts | 2,185,060. | 2,185,060. | | |
| d Admin & General Exp | 1,535,170. | 1,535,170. | | |
| e Property & Other Tax | 814,627. | 814,627. | | |
| f All other expenses | 1,765,765. | 1,765,765. | | |
| 25 Total functional expenses. Add lines 1 through 24f | 59,651,937. | 59,651,937. | 0. | 0. |
| 26 **Joint costs.** Check here ► ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation | | | | |

## Part X Balance Sheet

| | | | | (A) Beginning of year | | (B) End of year |
|---|---|---|---|---|---|---|
| ASSETS | 1 | Cash – non-interest-bearing | | 4,288,220. | 1 | 4,021,016. |
| | 2 | Savings and temporary cash investments | | | 2 | |
| | 3 | Pledges and grants receivable, net | | | 3 | |
| | 4 | Accounts receivable, net | | 7,402,983. | 4 | 6,694,850. |
| | 5 | Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | | | 5 | |
| | 6 | Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L | | | 6 | |
| | 7 | Notes and loans receivable, net | | | 7 | |
| | 8 | Inventories for sale or use | | 1,375,565. | 8 | 1,459,618. |
| | 9 | Prepaid expenses and deferred charges | | 592,089. | 9 | 423,307. |
| | 10a | Land, buildings, and equipment: cost or other basis Complete Part VI of Schedule D | 10a 131,029,658. | | | |
| | b | Less accumulated depreciation. | 10b 46,635,381. | 80,782,311. | 10c | 84,394,277. |
| | 11 | Investments – publicly-traded securities | | | 11 | |
| | 12 | Investments – other securities See Part IV, line 11 | | | 12 | |
| | 13 | Investments – program-related See Part IV, line 11 | | 7,773,388. | 13 | 9,234,889. |
| | 14 | Intangible assets | | | 14 | |
| | 15 | Other assets See Part IV, line 11 | | | 15 | |
| | 16 | **Total assets** Add lines 1 through 15 (must equal line 34) | | 102,214,556. | 16 | 106,227,957. |
| LIABILITIES | 17 | Accounts payable and accrued expenses | | 7,517,688. | 17 | 8,571,300. |
| | 18 | Grants payable | | | 18 | |
| | 19 | Deferred revenue | | | 19 | |
| | 20 | Tax-exempt bond liabilities | | | 20 | |
| | 21 | Escrow or custodial account liability Complete Part IV of Schedule D | | | 21 | |
| | 22 | Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L | | | 22 | |
| | 23 | Secured mortgages and notes payable to unrelated third parties | | 44,995,652. | 23 | 47,646,082. |
| | 24 | Unsecured notes and loans payable to unrelated third parties | | | 24 | |
| | 25 | Other liabilities Complete Part X of Schedule D | | 4,495,876. | 25 | 4,112,960. |
| | 26 | **Total liabilities.** Add lines 17 through 25 | | 57,009,216. | 26 | 60,330,342. |
| NET ASSETS OR FUND BALANCES | | **Organizations that follow SFAS 117, check here ► ☐ and complete lines 27 through 29 and lines 33 and 34.** | | | | |
| | 27 | Unrestricted net assets | | | 27 | |
| | 28 | Temporarily restricted net assets | | | 28 | |
| | 29 | Permanently restricted net assets | | | 29 | |
| | | **Organizations that do not follow SFAS 117, check here ► ☒ and complete lines 30 through 34.** | | | | |
| | 30 | Capital stock or trust principal, or current funds | | 115,138. | 30 | 115,948. |
| | 31 | Paid-in or capital surplus, or land, building, and equipment fund | | 45,090,202. | 31 | 45,781,667. |
| | 32 | Retained earnings, endowment, accumulated income, or other funds | | | 32 | |
| | 33 | Total net assets or fund balances | | 45,205,340. | 33 | 45,897,615. |
| | 34 | Total liabilities and net assets/fund balances | | 102,214,556. | 34 | 106,227,957. |

## Part XI Financial Statements and Reporting

| | | Yes | No |
|---|---|---|---|
| 1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other<br>If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O | | | |
| 2a Were the organization's financial statements compiled or reviewed by an independent accountant? | 2a | | X |
| b Were the organization's financial statements audited by an independent accountant? | 2b | X | |
| c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? | 2c | X | |
| If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O | | | |
| d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both<br>☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis | | | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | 3a | | X |
| b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits | 3b | | |

**SCHEDULE D (Form 990)**

Department of the Treasury
Internal Revenue Service

# Supplemental Financial Statements

► Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions

OMB No 1545-0047

**2009**

**Open to Public Inspection**

**Name of the organization**: Diverse Power Incorporated

**Employer Identification number**: 58-0465897

## Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|---|---|
| 1 Total number at end of year | | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | | |
| 4 Aggregate value at end of year | | |

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or for any other purpose conferring impermissible private benefit?? ☐ Yes ☐ No

## Part II Conservation Easements Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e.g , recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

| | | Held at the End of the Year |
|---|---|---|
| a Total number of conservation easements | 2a | |
| b Total acreage restricted by conservation easements | 2b | |
| c Number of conservation easements on a certified historic structure included in (a) | 2c | |
| d Number of conservation easements included in (c) acquired after 8/17/06 | 2d | |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easement it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

## Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► $ _____

(ii) Assets included in Form 990, Part X ► $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items.

a Revenues included in Form 990, Part VIII, line 1 ► $ _____

b Assets included in Form 990, Part X ► $ _____

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's acquisition accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements** Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

| | | Amount |
|---|---|---|
| c Beginning balance | 1c | |
| d Additions during the year | 1d | |
| e Distributions during the year | 1e | |
| f Ending balance | 1f | |

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If 'Yes,' explain the arrangement in Part XIV

**Part V Endowment Funds** Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|---|---|---|---|---|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net Investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ► _____ %
b Permanent endowment ► _____ %
c Term endowment ► _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

| | | Yes | No |
|---|---|---|---|
| (i) unrelated organizations | 3a(i) | | |
| (ii) related organizations | 3a(ii) | | |
| b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | | |

4 Describe in Part XIV the intended uses of the organization's endowment funds

**Part VI Investments—Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

| Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated Depreciation | (d) Book Value |
|---|---|---|---|---|
| 1a Land | | 2,161,530. | | 2,161,530. |
| b Buildings | | | | |
| c Leasehold improvements | | | | |
| d Equipment | | 128,868,128. | 46,635,381. | 82,232,747. |
| e Other | | | | |
| **Total.** Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c) )* ► | | | | 84,394,277. |

**Part VII Investments—Other Securities** See Form 990, Part X, line 12. N/A

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation Cost or end-of-year market value |
|---|---|---|
| Financial derivatives | | |
| Closely-held equity interests | | |
| Other | | |
| Total. *(Column (b) must equal Form 990 Part X, col. (B) line 12.)* ► | | |

**Part VIII Investments—Program Related** (See Form 990, Part X, line 13)

| (a) Description of investment type | (b) Book value | (c) Method of valuation Cost or end-of-year market value |
|---|---|---|
| See Part XIV | | |
| Total. *(Column (b) must equal Form 990, Part X, Col (B) line 13.)* ► | 9,234,889. | |

**Part IX Other Assets** (See Form 990, Part X, line 15) N/A

| (a) Description | (b) Book value |
|---|---|
| Total. *(Column (b) must equal Form 990, Part X, col (B), line 15)* ► | |

**Part X Other Liabilities** (See Form 990, Part X, line 25)

| (a) Description of Liability | (b) Amount |
|---|---|
| Federal Income Taxes | |
| Accum Prov for Pension & Benefits | 3,015,200. |
| Consumer Deposits | 1,095,668. |
| Other Liabilities | 2,092. |
| Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25)* ► | 4,112,960. |

**2.** FIN 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

## Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

| | | |
|---|---|---|
| 1 | Total revenue (Form 990, Part VIII,column (A), line 12) | 59,822,557. |
| 2 | Total expenses (Form 990, Part IX, column (A), line 25) | 59,651,937. |
| 3 | Excess or (deficit) for the year Subtract line 2 from line 1 | 170,620. |
| 4 | Net unrealized gains (losses) on investments | |
| 5 | Donated services and use of facilities | |
| 6 | Investment expenses | |
| 7 | Prior period adjustments | |
| 8 | Other (Describe in Part XIV) See Part XIV | 521,655. |
| 9 | Total adjustments (net) Add lines 4 through 8 | 521,655. |
| 10 | Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9 | 692,275. |

## Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

| | | | | |
|---|---|---|---|---|
| 1 | Total revenue, gains, and other support per audited financial statements | | 1 | 59,822,557. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12 | | | |
| a | Net unrealized gains on investments | 2a | | |
| b | Donated services and use of facilities | 2b | | |
| c | Recoveries of prior year grants | 2c | | |
| d | Other (Describe in Part XIV) | 2d | | |
| e | Add lines **2a** through **2d** | | 2e | |
| 3 | Subtract line **2e** from line **1** | | 3 | 59,822,557. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line **1**: | | | |
| a | Investments expenses not included on Form 990, Part VIII, line 7b | 4a | | |
| b | Other (Describe in Part XIV) | 4b | | |
| c | Add lines **4a** and **4b** | | 4c | |
| 5 | Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12 ) | | 5 | 59,822,557. |

## Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

| | | | | |
|---|---|---|---|---|
| 1 | Total expenses and losses per audited financial statements | | 1 | 59,651,937. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | | |
| a | Donated services and use of facilities | 2a | | |
| b | Prior year adjustments | 2b | | |
| c | Other losses | 2c | | |
| d | Other (Describe in Part XIV) | 2d | | |
| e | Add lines **2a** through **2d** | | 2e | |
| 3 | Subtract line **2e** from line **1** | | 3 | 59,651,937. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line **1:** | | | |
| a | Investments expenses not included on Form 990, Part VIII, line 7b | 4a | | |
| b | Other (Describe in Part XIV) | 4b | | |
| c | Add lines **4a** and **4b** | | 4c | |
| 5 | Total expenses. Add lines **3** and **4c** (This must equal Form 990, Part I, line 18 ) | | 5 | 59,651,937. |

## Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

**Part XIV Supplemental Information** *(continued)*

**SCHEDULE J**
**(Form 990)**

Department of the Treasury
Internal Revenue Service

# Compensation Information

**For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

► **Complete if the organization answered 'Yes' to Form 990, Part IV, line 23.**
► **Attach to Form 990.** ► **See separate instructions.**

OMB No 1545 0047

**2009**

**Open to Public Inspection**

**Name of the organization**: Diverse Power Incorporated

**Employer identification number**: 58-0465897

## Part I Questions Regarding Compensation

| | | Yes | No |
|---|---|---|---|
| **1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items | | | |
| ☐ First-class or charter travel ☐ Housing allowance or residence for personal use | | | |
| ☐ Travel for companions ☐ Payments for business use of personal residence | | | |
| ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees | | | |
| ☐ Discretionary spending account ☐ Personal services (e.g , maid, chauffeur, chef) | | | |
| **b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If 'No,' complete Part III to explain | 1b | | |
| **2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? | 2 | | |
| **3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply | | | |
| ☒ Compensation committee ☒ Written employment contract | | | |
| ☐ Independent compensation consultant ☒ Compensation survey or study | | | |
| ☒ Form 990 of other organizations ☒ Approval by the board or compensation committee | | | |
| **4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization | | | |
| **a** Receive a severance payment or change-of-control payment? | 4a | | X |
| **b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? | 4b | | X |
| **c** Participate in, or receive payment from, an equity-based compensation arrangement? | 4c | | X |
| If 'Yes' to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III | | | |
| **Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.** | | | |
| **5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of | | | |
| **a** The organization? | 5a | | |
| **b** Any related organization? | 5b | | |
| If 'Yes' to line 5a or 5b, describe in Part III | | | |
| **6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of | | | |
| **a** The organization? | 6a | | |
| **b** Any related organization? | 6b | | |
| If 'Yes' to line 6a or 6b, describe in Part III | | | |
| **7** For person listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If 'Yes,' describe in Part III | 7 | | |
| **8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If 'Yes,' describe in Part III | 8 | | |
| **9** If 'Yes' to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)? | 9 | | |

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

| (A) Name | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation reported in prior Form 990 or Form 990-EZ |
|---|---|---|---|---|---|---|---|---|
| | | (i) Base compensation | (ii) Bonus and incentive compensation | (iii) Other reportable compensation | | | | |
| R. WAYNE LIVINGSTON | (i) | 205,731. | 20,198. | 11,144. | 40,508. | 9,761. | 287,342. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| RANDY PRUETT | (i) | 151,805. | 12,143. | 5,191. | 29,272. | 6,294. | 204,705. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| RANDY SHEPARD | (i) | 145,544. | 12,083. | 6,118. | 28,302. | 6,260. | 198,307. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| WADE HALL | (i) | 139,009. | 11,980. | 1,651. | 26,212. | 4,361. | 183,213. | 0. |
| | (ii) | 0. | 0. | 0. | 0. | 0. | 0. | 0. |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
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| | (i) | | | | | | | |
| | (ii) | | | | | | | |
| | (i) | | | | | | | |
| | (ii) | | | | | | | |

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

**Compensation from Unrelated Organizations**

**SCHEDULE O** (Form 990)

Department of the Treasury
Internal Revenue Service

# Supplemental Information to Form 990

**Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.**
**► Attach to Form 990.**

OMB No 1545-0047

**2009**

**Open to Public Inspection**

Name of the organization: Diverse Power Incorporated

Employer identification number: 58-0465897

**Form 990, Part VI, Line 6 - Explanation of Classes of Members or Shareholder**

THE COOPERATIVE HAS MEMBERS AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

**Form 990, Part VI, Line 7a - How Members or Shareholders Elect Governing Body**

THE COOPERATIVE HAS MEMBERS WHO ELECT MEMBERS OF THE GOVERNING BODY AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

**Form 990, Part VI, Line 7b - Decisions of Governing Body Approval by Members or Shareholders**

CERTAIN DECISIONS OF THE GOVERNING BODY ARE SUBJECT TO APPROVAL BY MEMBERS AS PROVIDED FOR IN ITS BYLAWS WHICH ARE INCLUDED AS A PART OF THIS RETURN.

**Form 990, Part VI, Line 11 - Form 990 Review Process**

FORM 990 IS REVIEWED BY THE BOARD AS PROVIDED FOR IN THE COOPERATIVE'S POLICY WHICH IS INCLUDED AS A PART OF THIS RETURN.

**Form 990, Part VI, Line 12c - Explanation of Monitoring and Enforcement of Conflicts**

THE COOPERATIVE REGULARLY AND CONSISTENTLY MONITORS AND ENFORCES COMPLIANCE WITH THEIR CONFLICT OF INTEREST POLICY AS PROVIDED FOR IN ITS POLICY WHICH IS INCLUDED AS A PART OF THIS RETURN.

**Form 990, Part VI, Line 15a - Compensation Review & Approval Process for CEO, Exec. Dir., or Top Mgtment**

COMPENSATION FOR THE CEO IS REVIEWED AND APPROVED AS PROVIDED FOR IN THE COOPERATIVE'S POLICY WHICH IS INCLUDED AS A PART OF THIS RETURN.

**Form 990, Part VI, Line 15b - Compensation Review & Approval Process for Officers & Key Employees**

COMPENSATION FOR KEY EMPLOYEES IS REVIEWED AND APPROVED THROUGH THE USE OF A PERFORMANCE REVIEW CONDUCTED BY THE CEO AS PRESCRIBED BY THE COOPERATIVE'S WAGE AND SALARY PLAN.

**Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available**

THE COOPERATIVE MAKES ITS BYLAWS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC AS PART OF ITS FORM 990. THE FORM 990 IS

Name of the organization: Diverse Power Incorporated

Employer identification number: 58-0465897

**Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available (continued)**

AVAILABLE UPON REQUEST AS REFLECTED IN PART VI SECTION C LINE 18.

**SCHEDULE R**
**(Form 990)**

Department of the Treasury
Internal Revenue Service

# Related Organizations and Unrelated Partnerships

► Complete if the organization answered 'Yes' to Form 990, Part IV, lines 33, 34, 35, 36, or 37.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

**2009**

**Open to Public Inspection**

**Name of the organization**
Diverse Power Incorporated

**Employer identification number**
58-0465897

**Part I** **Identification of Disregarded Entities** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 33.)

| (A) Name, address, and EIN of disregarded entity | (B) Primary activity | (C) Legal domicile (state or foreign country) | (D) Total income | (E) End-of-year assets | (F) Direct controlling entity |
|---|---|---|---|---|---|
| | | | | | |
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**Part II** **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

| (A) Name, address, and EIN of related organization | (B) Primary activity | (C) Legal domicile (state or foreign country) | (D) Exempt Code section | (E) Public charity status (if section 501(c)(3)) | (F) Direct controlling entity |
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**Part III** **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

| (A) Name, address, and EIN of related organization | (B) Primary Activity | (C) Legal domicile (state or foreign country) | (D) Direct controlling entity | (E) Predominant income (related, unrelated, excluded from tax under sections 512-514) | (F) Share of total income | (G) Share of end-of-year assets | (H) Disproportionate allocations? Yes | (H) No | (I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (J) General or managing partner? Yes | (J) No |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | |
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| | | | | | | | | | | | |

**Part IV** **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

| (A) Name, address, and EIN of related organization | (B) Primary Activity | (C) Legal domicile (state or foreign country) | (D) Direct controlling entity | (E) Type of entity (C corp, S corp, or trust) | (F) Share of total income | (G) Share of end-of-year assets | (H) Percentage ownership |
|---|---|---|---|---|---|---|---|
| Diverse Communications Solutions<br>1400 Davis Street<br>LaGrange, GA 30241<br>58-2251441 | Communications | GA | Diverse Power, Inc. | C Corp | 3,135. | 80,921. | 100.00 |
| | | | | | | | |
| | | | | | | | |

**Part V Transactions With Related Organizations** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 34, 35, or 36.)

| | | | Yes | No |
|---|---|---|---|---|
| | **Note** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule | | | |
| 1 | During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV | | | |
| a | Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity | 1a | | X |
| b | Gift, grant, or capital contribution to other organization(s) | 1b | | X |
| c | Gift, grant, or capital contribution from other organization(s) | 1c | | X |
| d | Loans or loan guarantees to or for other organization(s) | 1d | | X |
| e | Loans or loan guarantees by other organization(s) | 1e | | X |
| f | Sale of assets to other organization(s) | 1f | | X |
| g | Purchase of assets from other organization(s) | 1g | | X |
| h | Exchange of assets | 1h | | X |
| i | Lease of facilities, equipment, or other assets to other organization(s) | 1i | | X |
| j | Lease of facilities, equipment, or other assets from other organization(s) | 1j | | X |
| k | Performance of services or membership or fundraising solicitations for other organization(s) | 1k | | X |
| l | Performance of services or membership or fundraising solicitations by other organization(s) | 1l | | X |
| m | Sharing of facilities, equipment, mailing lists, or other assets | 1m | | X |
| n | Sharing of paid employees | 1n | | X |
| o | Reimbursement paid to other organization for expenses | 1o | | X |
| p | Reimbursement paid by other organization for expenses | 1p | | X |
| q | Other transfer of cash or property to other organization(s) | 1q | | X |
| r | Other transfer of cash or property from other organization(s) | 1r | | X |

2 If the answer to any of the above is 'Yes,' see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

| | (A) Name of other organization | (B) Transaction type (a-r) | (C) Amount involved |
|---|---|---|---|
| (1) | | | |
| (2) | | | |
| (3) | | | |
| (4) | | | |
| (5) | | | |
| (6) | | | |

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered 'Yes' to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total asset or gross revenue) that was not a related organization See Instructions regarding exclusion for certain investment partnerships.

| (A) Name, address, and EIN of entity | (B) Primary activity | (C) Legal domicile (state or foreign country) | (D) Are all partners section 501(c)(3) organizations? | | (E) Share of end-of-year assets | (F) Disproportionate allocations? | | (G) Code V-UBI amount in box 20 of Schedule K-1 Form (1065) | (H) General or managing partner? | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Yes | No | | Yes | No | | Yes | No |
| | | | | | | | | | | |
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**Schedule D, Part VIII**
**Investments - Program Related**

| Description | Book Value | Method of Valuation |
|---|---|---|
| INVESTMENT-NRUCFC | 198,188. | Cost |
| INVESTMENT-OPC | 1,000. | Cost |
| INVESTMENT-GTC | 1,933,718. | Cost |
| INVESTMENT-GSOC | 3,300. | Cost |
| INVESTMENT-GRESCO | 1,395,632. | Cost |
| INVESTMENT-COBANK | 1,374,864. | Cost |
| INVESTMENT-SEDC | 111,705. | Cost |
| INVESTMENT-GEMC | 47,866. | Cost |
| INVESTMENT-CTC | 870,792. | Cost |
| OTHER INVESTMENT | 1,252,279. | Cost |
| INVESTMENT-SMARR | 566,721. | Cost |
| CONTRIBUTED CAPITAL-GTC | 943,442. | Cost |
| INVESTMENT-ECG | 35,382. | Cost |
| INVESTMENT-CFC MEMBER CAPITAL SEC | 500,000. | Cost |
| Total | $ 9,234,889. | |

**Schedule D, Part XI, Line 8**
**Other Changes In Net Assets Or Fund Balances**

| | |
|---|---|
| ADDITIONAL MEMBER CAPITAL | $ 17,046. |
| CAPITAL CREDIT RETIREMENTS | -331,976. |
| DONATED CAPITAL | 113,276. |
| MEMBERSHIPS | 810. |
| OTHER | 191,999. |
| OTHER COMPREHENSIVE INCOME (FAS 158) | 530,500. |
| Total | $ 521,655. |

DIVERSE POWER INCORPORATED (DIVERSE) IS A MEMBER OF A NUMBER OF ORGANIZATIONS WHERE A DIVERSE OFFICER OR DIRECTOR MAY SERVE AS DIVERSE'S REPRESENTATIVE ON THE BOARD OF DIRECTORS. THESE INDIVIDUALS SERVE AT THE PLEASURE OF DIVERSE AND CAN SERVE ONLY AS LONG AS THEY REPRESENT DIVERSE. THE FOLLOWING INDIVIDUALS SERVED IN SUCH POSITIONS:

R. WAYNE LIVINGSTON - DIRECTOR OF GEORGIA SYSTEM OPERATIONS CORPORATION (GSOC); DIRECTOR AND SECRETARY-TREASURER OF GRESCO UTILITY SUPPLY, INC. (GRESCO); DIRECTOR OF GEORGIA RIGHT-OF-WAY (GAROW); DIRECTOR OF COOPERATIVE ENERGY, INC. (CEI); DIRECTOR OF FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE (FEDERATED)

ROY TOLLERSON, JR. - DIRECTOR AND SECRETARY-TREASURER OF GEORGIA TRANSMISSION CORPORATION (GTC)

CHARLES KNIGHT - DIRECTOR OF GEORGIA ELECTRIC MEMBERSHIP CORPORATION (GEMC)

GSOC IS AN INDEPENDENT, NOT-FOR-PROFIT SYSTEM OPERATIONS COMPANY OWNED BY 38 OF GEORGIA'S ELECTRIC MEMBERSHIP CORPORATIONS (MEMBER SYSTEMS). AS THE SYSTEM OPERATOR, THE CORPORATION ENSURES RELIABLE, INDEPENDENT SYSTEM OPERATIONS BY CONTROLLING AND MONITORING ELECTRIC GENERATION, TRANSMISSION AND DISTRIBUTION ASSETS OWNED BY OGLETHORPE POWER CORPORATION, GEORGIA TRANSMISSION CORPORATION, THE MEMBER SYSTEMS AND OTHER CUSTOMERS. THE CORPORATION ENABLES THEIR MEMBERS' PARTICIPATION IN THE ENERGY MARKET IN GEORGIA AND THE SOUTHEAST BY PROVIDING A RANGE OF OPERATIONS SERVICES THAT ALLOW THEIR MEMBERS TO TRANSACT, OPTIMIZE AND ACCOUNT FOR THEIR BUSINESS IN THE WHOLESALE ENERGY MARKET. THE CORPORATION IMPLEMENTS PURCHASE AND SALES CONTRACTS, SCHEDULES AND MONITORS INDIVIDUAL HOURLY TRANSACTIONS, DISPATCHES AND MONITORS GENERATION ASSETS, CAPTURES THE NECESSARY DATA FOR BILLING, AND ENSURES CUSTOMER CONFIDENTIALITY BY FOLLOWING STRICT STANDARDS OF CONDUCT. THE CORPORATION MONITORS THE SUBSTATIONS FROM WHICH THEIR MEMBERS SERVE THEIR LOAD, AND RESPONDS TO SYSTEM ANOMALIES AND PROACTIVELY WORKS TO CORRECT OR PREVENT POTENTIAL ISSUES AND TO MINIMIZE OUTAGES.

DIVERSE PAID $48,359 FOR THE ABOVE SERVICES PROVIDED BY GSOC DURING 2009.

GRESCO IS A MEMBER-OWNED COOPERATIVE THAT OPERATES AS A CENTRAL PURCHASING AND WAREHOUSING FACILITY OF CONSTRUCTION AND MAINTENANCE SUPPLIES FOR ITS MEMBERS.

DIVERSE PURCHASED $1,858,726 OF MATERIALS AND SUPPLIES FROM GRESCO DURING 2009.

GAROW IS A MEMBER-OWNED CORPORATION THAT OPERATES AS A PROVIDER OF RIGHT-OF-WAY CLEARING SERVICES TO ITS MEMBERS. THE CORPORATION OPERATES AS A COOPERATIVE WHEREBY ALL MONIES IN EXCESS OF COST OF PROVIDING RIGHT-OF-WAY SERVICES ARE CAPITAL THE MOMENT OF RECEIPT AND ARE CREDITED TO EACH MEMBER'S CAPITAL ACCOUNT.

DIVERSE PAID $2,938,474 FOR THE ABOVE SERVICES PROVIDED BY GAROW DURING 2009.

CEI IS A NOT-FOR-PROFIT CORPORATION ORGANIZED TO PROVIDE:
- PLANNING SERVICES BY DETERMINING THE INDIVIDUAL AND AGGREGATE POWER SUPPLY REQUIREMENTS OF ITS MEMBERS
- PROCUREMENT SERVICES BY IDENTIFYING POTENTIAL LONG-TERM SOURCES OF POWER, DEVELOPING A TECHNICAL AND ECONOMIC ASSESSMENT OF SUCH SOURCES, AND NEGOTIATING APPROPRIATE CONTRACTS WITH THIRD PARTIES TO PROCURE THE POWER SUPPLY NECESSARY TO SATISFY ITS MEMBERS' DETERMINED NEED FOR FUTURE RESOURCES RESULTING FROM PLANNING SERVICES
- ADMINISTRATIVE SERVICES BY COORDINATING MEMBER ACTIVITIES AND REPRESENTING THE INTERESTS OF THE MEMBERS IN RELATION TO POWER SUPPLY, OPERATION AND TRANSMISSION CONTRACTS TO WHICH THE MEMBER IS A PARTY

DIVERSE PAID $259,493 FOR THE ABOVE SERVICES PROVIDED BY CEI DURING 2009.

FEDERATED IS THE LEADING PROVIDER OF PROPERTY AND CASUALTY INSURANCE FOR RURAL ELECTRIC UTILITIES IN 40 STATES. FEDERATED ALSO PROVIDES FINANCIAL PROTECTION FOR THE DIVERSE COMMERCIAL ACTIVITIES OF ITS MEMBERS. FEDERATED IS OWNED AND

DIRECTED BY THE RURAL UTILITIES THEY SERVE.

DIVERSE PAID $166,850 FOR THE ABOVE SERVICES PROVIDED BY FEDERATED DURING 2009.

GTC IS A NOT-FOR-PROFIT CORPORATION ORGANIZED TO:
- TRANSMIT ELECTRICITY FROM POWER SUPPLIERS TO POWER DISTRIBUTORS, THE ELECTRIC MEMBERSHIP COOPERATIVES (EMCs); THE EMCs DISTRIBUTE POWER TO RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS
- PERFORMS JOINT PLANNING WITH THE STATE'S OTHER MAJOR UTILITIES AND THE EMCs TO MEET THE NEED FOR RELIABLE ELECTRIC SERVICE
- CONSTRUCTS AND MAINTAINS FACILITIES NECESSARY TO PROVIDE RELIABLE TRANSMISSION SERVICES
- PROVIDES OPEN ACCESS TO TRANSMISSION FACILITIES BASED ON AVAILABLE CAPACITY
- BULDS NEW TRANSMISSION FACILITIES TO KEEP PACE WITH GROWTH WHILE BEING A GOOD STEWARD OF GEORGIA'S ENVIRONMENTAL, CULTURAL AND COMMUNITY RESOURCES
- PROVIDES ASSOCIATED UTILITY SERVICES

DIVERSE PAID $3,420,113 FOR THE ABOVE SERVICES PROVIDED BY GTC DURING 2009.

GEMC IS A NOT-FOR-PROFIT CORPORATION ORGANIZED TO:
- FOSTER, DEVELOP AND ENCOURAGE THE PROGRAM OF RURAL ELECTRIFICATION IN THE STATE OF GEORGIA
- FURTHER THE GENERAL WELFARE AND TO PROMOTE THE INTEREST OF THE MEMBERS OF GEMC; TO FURTHER THE SAFETY, STABILITY, SECURITY AND PROSPERITY OF ELECTRIC COOPERATIVES; TO AID IN SOLVING THE PROBLEMS COMMON TO ELECTRIC COOPERATIVES
- DISSEMINATE INFORMATION RELATING TO THE RURAL ELECTRIFICATION PROGRAM; TO COOPERATE WITH FEDERAL, STATE AND MUNICIPAL AGENCIES IN THE PROMOTION OF RURAL ELECTRIFICATION AND NATIONAL, STATE, COMMUNITY AND RURAL DEVELOPMENT; TO PROVIDE SERVICES AND INFORMATIONAL PROGRAMS THAT WILL STIMULATE LOCAL GROWTH, STABILITY AND SECURITY AND STRENGTHEN THE ELECTRIC COOPERATIVE PROGRAM IN GEORGIA
- OTHERWISE ASSIST THE MEMBERS OF GEMC TO PROVIDE ELECTRIC ENERGY TO INHABITANTS OF MEMBER SERVICE AREAS AT THE LOWEST POSSIBLE COST CONSISTENT WITH SOUND ECONOMY

DIVERSE PAID $344,097 FOR THE ABOVE SERVICES PROVIDED BY GEMC DURING 2009.

DIVERSE DIRECTOR RICHARD WILLIAMS SERVES AS A DIRECTOR AT COMMERCIAL BANK & TRUST OF LAGRANGE (CB&T) WHERE DIVERSE HAS A BANKING RELATIONSHIP. IT SHOULD BE NOTED THAT THE MAXIMUM AMOUNT ON DEPOSIT DURING THE YEAR WAS IN EXCESS OF FDIC COVERAGE WITH A MAXIMUM AMOUNT ON DEPOSIT OF $7,367,813 DURING 2009. DIVERSE DIRECTOR RICHARD WILLIAMS DOES NOT PARTICIPATE IN ANY DECISIONS MADE BY THE BOARD OF DIRECTORS THAT RELATE TO FINANCIAL INSTITUTIONS.

# BYLAWS
# OF
# DIVERSE POWER INCORPORATED, AN ELECTRIC MEMBERSHIP CORPORATION

## ARTICLE I
## MEMBERSHIP

**Section 1.01. Eligibility and Requirements for Membership.** Any natural person, firm, association, corporation, business, trust, partnership, federal agency, state or political subdivision thereof, or body politic (each hereinafter referred to as "person", "applicant", "him", or "her") may become a member of Diverse Power Incorporated, An Electric Membership Corporation (hereinafter called the "Cooperative") in order to receive retail electric service by:

(a) applying for membership in the Cooperative; and

(b) paying all membership fees, service connection fees, account establishment fees, and service deposits requested by the Cooperative; PROVIDED, however, that no applicant may become a member unless and until applicant has been accepted for membership by the Board of Directors or the members as hereafter provided. Also, any person upon receipt of a contract, approved by the Board of Directors in its discretion, for wholesale electric service may become a member by paying the membership fee and executing the contract as approved by the Board of Directors in its discretion. 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. All applications for membership shall be in writing except for the applications of Temporary Members made pursuant to Section 1.02 of this Article.

**Section 1.02. Application for Membership; Temporary Membership.** An applicant may apply by telephone or by other means of communication to receive retail electric energy service from the Cooperative as a Temporary Member if: (i) such applicant is not indebted to the Cooperative; and (ii) the Cooperative is able to provide service to the applicant without the construction or repair of any facilities. Upon the initiation of service pursuant to this Section, the applicant shall become a Temporary Member of the Cooperative. Temporary Members shall not enjoy any of the rights or privileges of membership in the Cooperative, but may receive electric energy from the Cooperative through the tenth business day from the initiation of such service. Thereafter, the status of applicant as a Temporary Member shall cease and the Cooperative shall be authorized to immediately discontinue service and to collect for such service already provided, unless a signed written application for membership, on a form prescribed by the Cooperative, has been submitted and the applicant has been accepted for membership by the Cooperative.

All applications for membership for retail electric service shall constitute an agreement by the applicant to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the provisions of the Cooperative's Articles of Incorporation and Bylaws, and all rules, regulations and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement

being hereinafter called "Membership Obligations"). Members shall (1) pay for all service consumed at the full applicable rate; (2) monitor their bills and notify the Cooperative of any discrepancies; and (3) pay any amounts to be determined to be due as a result of underbilling, regardless of whether such underbilling resulted from the Member's conduct or not. In addition, as a part of the membership in the Cooperative, $6.00 a year (which amount may be amended by the Board of Directors to reflect any changes in cost) shall be allocated to sending each member the Georgia Magazine. With respect to any particular classification of service for which the Board of Directors shall require it, such applications shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Cooperative.

**Section 1.03. Membership Fee: Service Security Deposit; Contribution in Aid of Construction; Service Connection Fee.** The applicant shall pay such membership fee as shall be established by the Board of Directors (together with any service security deposit or contribution in aid of construction, or both, if required by the Cooperative), for which the members shall be entitled to one initial retail service connection. A service connection fee, in such amount as shall be fixed by the Board of Directors (together with a service security deposit or a contribution in aid of construction, or both, if required by the Cooperative), shall be paid by the member for each additional connection.

**Section 1.04. Joint Membership.** A husband and wife, after specifically so requesting in writing, may be accepted in a joint membership, or, if one of them is already a member, convert such membership into a joint membership. The words "member", "applicant", "person", "his", "him", "her", and "hers" as used in these bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished by the context; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally to them. Without limiting the generality of the foregoing:

(a) The presence at a meeting of either or both shall constitute the presence of one member. Said member shall receive only one ballot. The presence of either shall constitute a joint waiver of notice of the meeting;

(b) The vote of either or both shall constitute, respectively, one joint vote;

(c) Notice to, or waiver of notice signed or otherwise effected by, either or both shall constitute a joint notice or waiver of notice;

(d) Suspension or termination in any manner of either shall constitute suspension or termination of the joint membership; and

(e) Each, but not both concurrently, shall be eligible to serve as an officer or director of the Cooperative, but only if both meet the qualifications therefor.

**Section 1.05. Acceptance into Membership.** Upon complying with all the requirements as set forth in this Article, any applicant shall be accepted as a member and shall become eligible to receive retail electric service from the Cooperative unless the Board of Directors shall determine that such applicant is not willing or is not able to satisfy and abide by

the Cooperative's terms and conditions of membership or that such application should be rejected for other good cause: PROVIDED, that any person whose application, for sixty (60) days or longer, has been submitted to but not approved by the Board of Directors, may, by filing written request therefor with the Cooperative at least thirty (30) days prior to the next meeting of the members, have his application submitted to and approved or disapproved by the vote of the members at such meeting, at which time the applicant shall be entitled to be present and to be heard.

**Section 1.06. Purchase of Electric Power and Energy**. The Cooperative shall use its best efforts to furnish its members with adequate and dependable retail electric service, although it cannot and does not guarantee a continuous and uninterrupted supply thereof and each member, for so long as the premises are owned or directly occupied or used by such member, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which retail electric service has been furnished by the Cooperative pursuant to such membership, unless and except to the extent that the Board of Directors may in writing waive such requirement, and shall pay therefor at the times, and in accordance with the rules, regulations and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors, and if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed to the Cooperative as and when they become due and payable. When a member has more than one service connection from the Cooperative, any payment for service to the Cooperative shall be allocated and credited on a pro rata basis among the member's outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such proration.

**Section 1.07. Excess Payments to be Credited as Member Furnished Capital**. All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital. Each member shall be credited with the capital so furnished as here after provided in Article X of these bylaws.

**Section 1.08. Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties**. Each member shall cause all premises receiving retail electric service pursuant to such membership to become and remain wired in accordance with the specifications of the Georgia Insurance Service Office, The National Electric Safety Code, the Fire Insurance Underwriters' Association, any government or governmental agency having authority to prescribe such specifications and the Cooperative. Each member shall be responsible for, and shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting from any defect in or improper use or maintenance of such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of retail electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto for inspection, maintenance, replacement, relocation or repair

thereof at all reasonable times. As a part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance could have prevented such, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on such premises, except that the Cooperative shall, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from malfunctioning of its metering equipment.

**Section 1.09. Member to Grant Easement to Cooperative if Required.** Each member shall, upon request by the Cooperative, execute and deliver to the cooperative grants of easement or right-of-way over, under and on such lands owned or leased by the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of retail electric service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

**Section 1.10. Wholesale Electric Service. If the Board of Directors, in its sole discretion, approves a contract for wholesale electric service, any such contract shall provide for such service at cost.**

## ARTICLE II
## MEMBERSHIP SUSPENSION AND TERMINATION

**Section 2.01. Suspension; Reinstatement.** Upon the failure, after expiration of the initial time limit prescribed either in a specific notice or in the Cooperative's generally publicized applicable rules and regulations, to pay the amounts due the Cooperative or to cease any other noncompliance with any membership obligations, a person's membership shall be automatically suspended; and such person shall not be entitled to receive retail 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 noncompliance with membership obligations within the time limit provided in the 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 meeting of its members.

**Section 2.02. Termination by Expulsion; Renewed Membership.** Upon the failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, the member may, without further notice, but only after due hearing if such is requested, be expelled by the affirmative votes of not less than a majority of the directors in office at any subsequently held regular or special meeting of the Board. Any member so expelled may, by delivering written notice to that effect to the Cooperative at least thirty (30) days prior to next

meeting of the members, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event the membership shall be reinstated retroactively to the date of suspension. After any finally effective expulsion, the expelled member may not again become a member except upon new application therefor duly approved as provided in Section 1.05. The Board of Directors, upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all membership obligations.

**Section 2.03. Termination by Withdrawal or Resignation.** A member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with approval of the Board of Directors, resigning his membership in favor of a new applicant who also shall) own or directly occupy or use all premises being furnished electric service pursuant to such membership or (b) except when the Board of Directors specifically waives such a condition, abandoning totally and permanently the use of central station electric service on such premises.

**Section 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in a Remaining Partner.** Except as provided in Section 2.06, the death of an individual human member shall automatically terminate such membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: PROVIDED, that upon the dissolution for any reason of a partnership, or upon the withdrawal or addition of any individual partner, such membership shall continue to be held by the remaining partner or partners, including any additional partners, who continue to own or directly occupy or use the premises being furnished electric service pursuant to such membership.

**Section 2.05. Effect of Termination.** Upon the termination in any manner of a person's membership, such person or his or her estate, as the case may be, shall be entitled to a refund of the membership fee and the service security deposit(s), if any, previously paid to the Cooperative, less any amounts due the Cooperative; but neither such person or estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member, as provided for in Sections 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute the release of such person from his membership obligations so as to entitle him to purchase from any other person any central station electric power and energy for use at the premises to which such service has theretofore been furnished by the Cooperative pursuant to such membership. Termination shall not affect the obligations of the Cooperative or Members receiving wholesale electric service or other contractual service pursuant to a separate contract approved by the Board of Directors in its discretion.

**Section 2.06. Effect of Death, Legal Separation or Divorce Upon a Joint Membership.** Upon the death of either spouse in a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the estate of the deceased spouse shall not be released from any debts due the Cooperative. Upon the divorce or separation of spouses making up a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership, in the same

manner and to the same effect as though such membership had not been joint: PROVIDED, that the other spouse shall not be released from any debts due the Cooperative.

## ARTICLE III
## MEETING OF MEMBERS

**Section 3.01. Annual Meeting.** The annual meeting of the members shall be held during the month of May of each year at such place within a county served by the Cooperative, as selected by the Board of Directors and which shall be designated in the notice of the meeting, for the purpose of electing board members, 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 Directors 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 3.02. Special Meeting.** Special meetings of the members may be called by resolution of the Board of Directors, or upon a written request signed by any three board members, by the Chairman or by 10 per centum or more of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board of Directors and shall be specified in the notice of the special meeting.

**Section 3.03. Notice of Member Meetings.** Written or printed notice of the place, day and hour of the meetings, and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes of the meeting, shall, except as provided in Article XII, be delivered to each member not less than five (5) nor more than ninety (90) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary or, upon the Secretary's default in this duty, by those calling it in the case of an annual meeting whose time, place and date have actually been fixed by the Board of Directors. No proposal to amend the Cooperative's charter, or to dissolve the Cooperative, or to consolidate or merge the Cooperative with another corporation, or any matter the carrying of which, as provided by law or these bylaws, requires the affirmative votes of at least a clear majority of all the Cooperative's then members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member's address as it appears on the Cooperative's records, with postage thereon prepaid and postmarked at least seven (7) days before the meeting date, except as provided in Article XII. The incidental and unintended failure to cause any member to receive such notice shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

**Section 3.04. Quorum.** Attendance in person of at least one hundred fifty (150) members of the Cooperative shall be required for the transaction of business at any meeting of

the members. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting to another time and date not less than thirty (30) days later and to any place within one of the counties named in Section 3.03 in the case of an annual meeting, or within one of the counties named in Section 3.02 in the case of a special meeting; PROVIDED, that the Secretary shall notify any absent members of the new time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03.

**Section 3.05. Voting.** Each member in good standing shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Articles of Incorporation or these Bylaws.

**Section 3.06. Credentials and Election Committee.** The Board of Directors shall appoint a Credentials and Election Committee to fulfill the duties described in these Bylaws. The Committee shall consist of an uneven number of members not less than five (5) nor more than fifteen (15) who are not members of the Nominating Committee or existing Cooperative employees, agents, officers, directors or known candidates for director, and who are not close relatives or members of the same household of any of the foregoing persons. In appointing the Committee, the Board shall have due regard for the equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee:

1) to the extent such responsibility is not specified herein, to oversee and approve the form and content of the ballots for election of Directors and the systems and procedures for distributing, mailing, returning, collecting, verifying and counting same;

2) to count all ballots or other votes cast in any election or in any other matter;

3) to rule upon the effect of any ballots or votes irregularly or indecisively marked or cast;

4) to rule upon all other questions that may arise relating to member voting and the election of directors (including, but not limited to, the validity of petitions of nomination or the qualifications of candidates, the regularity of the nomination, election of directors and the authority of persons voting for members other than natural persons);

5) to pass upon any protest or objection filed with respect to any election of directors or to conduct affecting the results of any such election;

6) to establish or approve and oversee the manner of conducting member registration and voting; and

7) to pass upon all questions that may arise with respect to the registration of members.

The Cooperative shall make available to the Committee the advice of counsel and the services of accountants, clerical staff and such members of the Cooperative staff as the Committee may reasonably require in fulfilling its duties.

In the event a protest or objection is filed with the Cooperative, any Board officer, or any member of the Committee, concerning any director election, such protest or objection shall be filed in writing during or within the three (3) business days next following the adjournment of the meeting in which the voting was conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor or objector, who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set the election aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. Without limiting the foregoing duties and prerogatives of the Committee, on request of the person presiding at the meeting of the members or on the request of any member entitled to vote, such Committee shall make a report in writing of any challenge, question, count, or matter determined by the Committee and execute a certificate as to any fact found by them. Any such report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

**Section 3.07. Order of Business.** The order of business at the annual meeting of the members and, insofar as practicable or desirable, at all other meetings of the members shall be essentially as follows:

(1) Report on the 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 delivery thereof, or of the waiver or waivers of notice of the meeting, as the case may be;

(3) Reading of unapproved minutes of previous meetings of the members and taking any necessary action thereon;

(4) Presentation and consideration of reports of officers, directors and committees;

(5) Report on election of directors in contested races and election of director in uncontested races;

(6) Unfinished business;

(7) New business, and

(8) Adjournment.

Notwithstanding the foregoing, the Board of Directors 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 established.

## ARTICLE IV
## DIRECTORS

**Section 4.01. General Powers.** The business and affairs of the Cooperative shall be managed by a Board of nine (9) directors which shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Articles of Incorporation or bylaws conferred upon or reserved to the members.

**Section 4.02. Qualifications.** Any person shall be eligible to become or remain a director of the Cooperative who:

(a) is at least eighteen years of age;

(b) is a member of the Cooperative;

(c) receives service from the Cooperative within the district such person is elected to represent;

(d) has been a member of the Cooperative for at least two years; and

(e) is not employed by or financially interested in a competing enterprise or one that regularly provides service or supplies to the Cooperative.

If it is established that a director is holding office without qualifying under the foregoing provisions, the Board of Directors shall remove such member from office in accordance with law.

Nothing contained in this Section shall affect the validity of any action taken at any meeting of the Board of Directors.

**Section 4.03. Districts.** The territory served or to be served by the Cooperative shall be divided into two districts, with Directors being elected to represent each district as hereinafter set forth.

(a) DISTRICT 1. This district shall consist of Troup County and Heard County, Georgia as well as Chambers County, Alabama, and shall be represented by five directors.

Upon the effective date of these bylaws, this district shall be represented by those directors representing the directorate districts formerly designated as Districts 1, 2, 3, 4 and 6.

(b) DISTRICT 2. This district shall consist of Harris County, Coweta County, Meriwether County and Muscogee County, Georgia and shall be represented by four directors.

Upon the effective date of these bylaws, this district shall be represented by those directors representing the directorate districts formerly designated as Districts 5, 7, 8, and 9.

The terms of those directors presently in office shall not be affected but shall follow the schedule in effect at the time this Bylaw was adopted. More particularly, these initial terms shall expire as follows, with subsequent terms expiring every three years thereafter:

| District: | Terms Expire: |
|---|---|
| 1- Troup, Heard, & Chambers | Seat 1 (formerly directorate district 1) – 1998 |
| | Seat 2 (formerly directorate district 2) – 1999 |
| | Seat 3 (formerly directorate district 3) – 1998 |
| | Seat 4 (formerly directorate district 4) - 1997 |
| | Seat 5 (formerly directorate district 6) - 1997 |
| 2- Harris, Coweta, Meriwether & Muscogee | Seat 1 (formerly directorate district 7) - 1999 |
| | Seat 2 (formerly directorate district 8) - 1999 |
| | Seat 3 (formerly directorate district 9) - 1997 |
| | Seat 4 (formerly directorate district 5) - 1998 |

**Section 4.04. Election of Directors.** At each annual meeting of the members, Directors shall be elected to fill the seats of those Directors whose terms are expiring. Voting shall be by secret written ballot, as hereafter prescribed in this Article; PROVIDED, however, that when the number of nominees does not exceed the number of Directors to be elected from a particular district, balloting may be dispensed with in respect to that particular election and voting may be conducted by voice vote or in any other proper manner. In contested elections, Directors shall be elected by a majority vote of the members voting in said election.

**Section 4.05. Tenure.** Directors shall be so nominated and elected that three (3) shall be elected for three (3) year terms at an annual member meeting, three (3) shall be elected for three (3) year terms at the next succeeding annual member meeting and three (3) shall be elected for three (3) year terms at the next succeeding annual member meeting, and so forth. Upon their election, directors shall, subject to the provisions of these Bylaws with respect to the removal of directors, serve until the annual meeting of the members of the year in which their terms expire or until their successors shall have been elected and shall have qualified. If for any reason an election of directors shall not be held at an annual meeting of the members duly fixed and called pursuant to these Bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special meeting or at the next annual meeting of the members. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over only until the next member meeting at which a quorum is present.

**Section 4.06. Nominations.** The Board of Directors shall appoint, not less than ninety (90) nor more than one hundred and twenty (120) days prior to the date of a meeting of the members at which Directors are to be elected, a Committee on Nominations, consisting of not less than two (2) members receiving service from the Cooperative in each district in which each

Director's terms will expire in that year. Directors, close relatives of Directors, or members of any Director's household are disqualified from serving on such Committee.

The Committee shall meet and nominate one or more qualified members as candidates for each seat on the Board of Directors that is to be filled at such meeting. The Committee shall report the nominations to the Board of Directors not less than ninety (90) days prior to the meeting at which elections are to be held, and said nominations shall be posted at the principal office of the Cooperative not less than ninety (90) days prior to such meeting.

Other nominations may be made by petition signed by not less than fifty (50) members receiving service from the Cooperative in the district where a vacancy will exist provided that such petition setting forth the nominations are presented to the Secretary of the Cooperative or his nominee not less than sixty (60) days prior to the meeting at which the elections are to be held. Such nominations will be posted at the same place where nominations by the Nominations Committee are posted.

Except in the event that all candidates nominated as provided in this Section are deceased or withdraw in writing from candidacy prior to the election, no other nominations shall be in order.

**Section 4.07. Ballots.** As soon as practicable after the time for making nominations has closed, the Credentials and Elections Committee shall meet and determine the persons duly nominated and shall cause ballots to be prepared for each director election for which there is more than one nominee. Each ballot shall:

8) have printed thereon the name of each person duly nominated, the manner by which each nomination was made, and the identify of the incumbent, if any;

9) have printed thereon or be accompanied by instructions as to the method by which a vote for a particular candidate should be indicated;

10) have printed thereon a notice as to the time and date by which the ballot must be received at the principal office of the Cooperative in LaGrange, Georgia; and

11) such other information as the Credentials and Elections Committee shall deem appropriate to assist the members in casting their ballot.

**Section 4.08. Distribution of Ballots.** The Credentials and Elections Committee shall prescribe the form of the ballots and shall cause the ballots to be mailed to members in good standing on the record date set by the Cooperative, not more than sixty (60) days prior to the holding of the annual meeting of the members.

**Section 4.09. Conduct of Election.** Each member desiring to vote shall mark his ballot according to the instructions of the Credentials and Elections Committee and shall return the ballot on or before the date specified by the Credentials and Elections Committee and set forth on the ballot. The only ballots which shall be counted are those that:

12) are cast by members in good standing as of the record date set by the Cooperative;

13) have been received at the Cooperative's principal office on or before the date specified by the Credentials and Elections Committee; and

14) comply with all requirements of these Bylaws and the rules and regulations and instructions prescribed by the Credentials and Elections Committee.

**Section 4.10. Emeritus.** When a director retires, resigns or otherwise ceases to be a member of the Board of Directors of the Cooperative for reasons other than removal by the members under Section 4.08 of these Bylaws, he or she shall be eligible to become an Emeritus Director if, at the time the directorship ends: (a) the director has been a member of the Board of Directors of the Cooperative for a period of at least thirty (30) years; or (b) the director has reached the age of sixty-two (62) years and has served at least three consecutive terms (9 years) as a director. An Emeritus Director and spouse shall be entitled to such benefits or allowances as may be set forth under policies adopted by the Board of Directors of the Cooperative as the same may be subsequently amended from time to time.

This bylaw shall apply to directors elected or appointed after the date of its adoption. The eligibility of directors elected or appointed prior to its adoption shall be governed by the bylaw provisions as stated in the Bylaws of Diverse Power Incorporated, An Electric Membership Corporation, 1990 revision.

**Section 4.11. Removal of Directors by Members.** Any member may bring charges for cause against a director and, by filing with the Secretary such charges in writing together with a petition signed by not less than 10% of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least twenty (20) days prior to the meeting of the members 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. The person or persons bringing the charges shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at such meeting, and if the director should be removed the vacancy shall be filled in accordance with Section 4.09.

**Section 4.12. Vacancies.** Subject to the provisions of these Bylaws with respect to the filling of vacancies, a committee shall be appointed by the Chairman of the Board of Directors to accept applications to fill the unexpired term. The new director shall be elected by the affirmative vote of a majority of the remaining directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until his successor is elected and qualified: PROVIDED, that such a director shall receive service in the same Directorate District as the director whose office was vacated.

**Section 4.13. Compensation.** Board members shall not receive any salary for their services as such, except that board members of the Cooperative may by resolution authorize 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 Directors. If authorized by the Board of Directors, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out Cooperative business or granted a reasonable per diem allowance for expenses. No board

member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or his close relative shall have been certified by the Board of Directors as an emergency measure.

**Section 4.14. Rules, Regulations, Rate Schedules and Contracts.** The Board of Directors shall have the power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, contracts, security deposits and contributions in aid-of-construction, not inconsistent with law or the Cooperative's Articles of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**Section 4.15. Accounting System and Reports.** The Board of Directors shall cause to be established and maintained a complete accounting system, which shall be subject to the laws of the State of Georgia and the rules and regulations of any regulatory body thereof, and which shall conform to such system of accounts as may from time to time be designated by the Rural Utilities Service of the United States of America. The Board of Directors shall also within thirty (30) days after the close of each fiscal year employ competent auditors for the purpose of having made a full and complete audit of the accounts, books and financial condition of the corporation as of the end of such fiscal year. Such audit report shall be submitted to the members at the following annual meeting.

**Section 4.16. "Close Relative" Defined.** As used in these Bylaws, "close relative" means a person who is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece, by blood or in law, of the principal.

## ARTICLE V
## INDEMNIFICATION AND INSURANCE

**Section 5.01. Indemnification.** The Cooperative shall indemnify each person who is or was a director, officer, employee or agent of the Cooperative (including the heirs, executors, administrators or estate of such person) or is or was serving at the request of the Cooperative as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise to the full extent permitted under Sections 46-3-306(b) and (c) of the Georgia Electric Membership Corporation Act or any successor provisions of the laws of the State of Georgia. If any such indemnification is requested pursuant to Sections 46-3-306(b) or (c) of said Act or laws, the Board of Directors shall cause a determination to be made (unless a court has ordered the indemnification) in one of the manners prescribed in Section 46-3-306(e) of said Act or laws as to whether indemnification of the party requesting indemnification is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 46-3-306(b) or (c) of said Act or laws. Upon the determination that indemnification is proper, the Cooperative shall make indemnification payments of liability, cost, payment of expenses asserted against, or paid or incurred by, each person in his or her capacity as a director, officer, employee or agent to the maximum extent permitted by the Act or laws. The indemnification obligation of the Cooperative set forth herein shall not be deemed exclusive of any other rights,

in respect of indemnification or otherwise, to which any party may be entitled under any other bylaw provision or resolution approved pursuant to Section 46-3-306(e) of said Act or laws.

**Section 5.02. Insurance.** The Cooperative may purchase and maintain insurance at its expense to protect itself and any director, officer, employee or agent of the Cooperative (including the heirs, executors, administrators or estate of any such person) against any liability, cost, payment or expense described in Section 5.01 of this Article V, whether or not the Cooperative would have the power to indemnify such person against such liability.

## ARTICLE VI
## MEETING OF DIRECTORS

**Section 6.01. Regular Meetings.** A regular meeting of the Board of Directors shall be held monthly at such date, time and place within one of the counties served by the Cooperative, as the Board of Directors may provide by resolution. Except when business to be transacted thereat shall require special notice, such regular monthly meeting may be held without notice other than such resolutions fixing the date, time and place thereof PROVIDED, that any director absent from any meeting of the Board at which such a resolution initially determines or makes any changes in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board.

**Section 6.02. Special Meetings.** Special meetings of the Board of Directors may be called by Board resolution, by the Chairman or by any five (5) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 6.03. The Chairman or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties served by the Cooperative, unless all directors consent to its being held in some other place in Georgia or elsewhere.

**Section 6.03. Notice of Directors Meetings.** Written notice of the date, time, place and purpose or purposes of any special meeting of the Board and, when the business to be transacted shall require it, notice of any regular meeting of the Board shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary or, upon a default in this duty by the Secretary, by the person or persons calling it in the case of a special meeting or by any other director or officer in the case of a regular meeting when the date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least five (5) days prior to the meeting date. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business or of one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

**Section 6.04. Quorum.** The presence of a majority of the directors in office shall be required for the transaction of business, and the affirmative votes of at least a majority of the directors in office shall be required for any action to be taken: PROVIDED, that a director who

by law or by these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining whether a quorum is present or the number of directors in office; AND PROVIDED FURTHER, that if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause any absent director(s) to be duly and timely notified of the time and place of such adjourned meeting.

**Section 6.05. Participation of Absent Directors.** Any regular meeting of the Board of Directors or any special meeting of the Board of Directors may be conducted with absent Directors participating, and being deemed present in person, through any means of communication by which all Directors participating in the meeting may simultaneously hear and communicate with each other during said meeting.

**Section 6.06. Board Action by Written Consent.** Without a meeting, the Board of Directors may take any action required, or permitted, to be taken at a meeting if the action is (i) taken by all Directors; and (ii) evidenced by one or more written consents signed by each Director describing the action taken. All written consents evidencing action taken in lieu of a meeting shall be included with the minutes of the Cooperative.

## ARTICLE VII
## OFFICERS: MISCELLANEOUS

**Section 7.01. Number and Title.** The Board of Directors shall elect or appoint a Chairman, Vice Chairman, President, Secretary, Treasurer, and such other officers as may from time to time be determined by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary.

**Section 7.02. Election and Term of Office.** The Chairman, Vice Chairman, and Secretary shall be elected by written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after each annual meeting of the members, or as soon thereafter as reasonably practicable. Each officer shall hold office until his or her successor is duly elected and qualified, subject to the provisions of these Bylaws with respect to the removal of Directors by the members and to the removal of officers by the Board of Directors. The President, Treasurer, and any other officers may be elected or appointed by the Board of Directors from among such persons and with such title, tenure, responsibilities and authorities as the Board of Directors may from time to time deem appropriate.

**Section 7.03. Removal.** Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interest of the Cooperative will thereby be served; PROVIDED, however, that the Board of Directors shall be obligated to honor the terms of any employment contract previously entered into by the existing or a prior Board of Directors.

**Section 7.04. Vacancies.** A vacancy in any office elected by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

**Section 7.05. Chairman.** The Chairman:

(a) shall preside at all meetings of the Board of Directors and, unless determined otherwise by the Board of Directors or the members, at all meetings of the members;

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

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

**Section 7.06. Vice Chairman.** In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when

so acting shall have all the powers of and be subject to all the restrictions upon the Chairman; and shall perform such other duties as from time to time may be assigned by the Board of Directors.

**Section 7.07. Secretary.** The Secretary shall:

(a) keep, or cause to be kept, the minutes of the members and of the Board of Directors in one or more books provided for that purpose;

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

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

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

(e) have general charge of the books of the Cooperative in which a record of the members is kept;

(f) keep on file at all times a complete copy of the Cooperative's Articles of Incorporation and of its Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and at the expense of the Cooperative, furnish a copy of such documents and of all amendments thereto upon request to any member; and

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

**Section 7.08. Treasurer.** The Treasurer shall:

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

(b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, or cause the same to be done, and deposit or invest 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, or cause the same to be done; and

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

**Section 7.09. Delegation of Secretary's and Treasurer's Responsibilities.** Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 7.07 and 7.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such officers' duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

**Section 7.10. President/CEO.** The Board of Directors may appoint a President/CEO who may be, but who shall not be required to be, a member of the Cooperative. Such person

shall perform such duties as the Board of Directors may from time to time require and shall have such authority as the Board of Directors may from time to time vest in him or her.

**Section 7.11. Bonds.** The Board of Directors shall require the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

**Section 7.12. Compensation.** The compensation, if any, of any officer, agent or employee who is also a director shall be determined as provided in Section 4.13 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

**Section 7.13. Reports.** The officers of the Corporation shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

## ARTICLE VIII
## CONTRACTS, CHECKS AND DEPOSITS

**Section 8.01. Contracts.** Except as otherwise provided in these Bylaws, the Board of Directors may authorize any Cooperative officer(s), agent(s), or employee(s) 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 confirmed to specific instances.

**Section 8.02. Checks, Drafts, Etc.** All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness, issued in the name of the Cooperative, shall be signed and/or countersigned by such officer(s), agent(s), or employee(s) of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 8.03. Deposits; Investments.** All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such banks or in such financial securities or institutions as the Board of Directors may select.

## ARTICLE IX
## MEMBERSHIP CERTIFICATES

**Section 9.01. Certificate of Membership.** Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative's Articles of Incorporation or its bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the Chairman and by the Secretary, and the corporate seal shall be affixed thereto or a facsimile thereof printed thereon: PROVIDED, that the signatures of the Chairman and of the Secretary may be imprinted by facsimile thereon.

**Section 9.02. Issue of Membership Certificates.** No membership certificate shall be issued for less than the membership fee fixed in these Bylaws, nor until such membership fee has been frilly paid in cash.

**Section 9.03. Lost, Destroyed or Mutilated Certificate.** In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such items and such indemnity to the Cooperative as the Board of Directors may prescribe.

## ARTICLE X
## NON-PROFIT OPERATION

**Section 10.01. 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 patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**Section 10.02. Patronage Capital in Connection with Furnishing Electric Energy.** In the furnishing of electric energy the Cooperative's operation shall be so conducted that all members receiving retail electric service will through their patronage furnish capital for the

Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all of its 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. Patronage capital shall be determined on the basis of federal income tax reporting.

**Section 10.03. Patronage Capital - Accounts.** The Cooperative is obligated to pay by credits to a capital account for each member all such patronage 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 eight and one-half (8½) months after the close of the fiscal year notify each member in writing of the exact amount of capital so credited to his or her 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 a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts of capital.

**Section 10.04. Other Patronage Capital - Allocation.** 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, based upon the margins contributed by a member or class of members, and any amount so allocated shall be included as a part of the capital credited to the accounts of members, as herein provided.

**Section 10.05. Patronage Capital from Other Organizations.** Notwithstanding any other provisions of these bylaws, the Board of Directors shall have the power to adopt rules providing for the method of accounting for the procedure for the retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of members which corresponds to capital credited to the account of the Cooperative by other organizations in which the Cooperative is a member or by other organizations furnishing electric service or any other service or supply to the Cooperative. Such rules shall, among other things:

(a) establish a method for determining the portion of such capital credited to each member for each applicable fiscal year;

(b) provide for separate identification on the Cooperative's books of such portion or portions of capital credited to the Cooperative's members;

(c) provide for appropriate notifications to members with respect to such portion or portions of capital credited to their accounts; and

(d) preclude a general or special retirement of such portion or portions of capital prior to the actual receipt of such capital by the Cooperative.

**Section 10.06. Patronage Capital - Distribution Prior to Dissolution.** If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, and that no mortgage requirements or other contractual obligations of the Cooperative will be violated, the capital then credited to members' accounts may be retired in full or in part. The retirements in any given year shall be made in such aggregate amounts and for all or a portion of such one or more years as the Board of Directors, in its discretion, shall determine.

In making retirements of capital credits in any given year, all or a portion of the aggregate amounts shall be retired on the basis of the order in which the capital was contributed (either first-in-first-out or last-in-first-out) or either on a pro-rata basis without regard to the order of contribution. The method of retirement or the apportionment between methods of retirement shall be determined by policies adopted from time to time by the Board of Directors.

**Section 10.07. Patronage Capital - Dissolution.** 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 then be retired without priority on a pro-rata basis before any payments are made on account of property rights of members.

**Section 10.08. Patronage Capital - Deceased Members.** Notwithstanding any other provisions of these By-Laws, the Board of Directors at its discretion shall have the power at any time, upon the death of any member who was a natural person, if the representative of his estate shall present evidence as required by the Board of Directors and request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws or the policies of the Board of Directors then in effect, to retire such capital, discounted to present value, immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such representative shall agree upon. PROVIDED, however, that such retirements may be made only if the Board of Directors determine that the financial condition of the Cooperative will not be impaired thereby.

**Section 10.09. Patronage Capital - Assignability.** Capital credited to the account of each member shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to the cooperative or to successors in interest or successors in occupancy of all or a part of such member's premises served by the Cooperative, unless the Board of Directors acting under policies of general application, shall determine otherwise.

**Section 10.10. Patronage Capital - Right of Set-Off.** If a member should terminate his or her membership in the Cooperative, or if said membership is terminated by action of the Board of Directors or by the members at a membership meeting, and at the time of such termination the member is indebted to the Cooperative for non-payment of any debt or obligation, which may include electric service, penalties, and/or other fees and services rendered as provided for in the policies of the Cooperative, the Cooperative may, before retiring any

capital credited to such member, charge the same to the capital credit account of such member and deduct therefrom any amount owed by such member to the Cooperative, plus accrued interest at a rate established by the Board of Directors.

## ARTICLE XI
## WAIVER OF NOTICE

Any member or director may waive, in writing, any notice of meetings required to be given by these Bylaws.

## ARTICLE XII
## DISPOSITION OF PROPERTY:
## DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

**Section 12.01. Disposition of Property.**

(a) Not inconsistent with the provisions of subsection (b) hereof, the Cooperative shall not sell, mortgage, lease or otherwise encumber or dispose of all or any substantial portion of its property (other than merchandise and property which in the judgment of the Board of Directors are not necessary or useful in operating the Cooperative) unless authorized so to do by the votes of at least a majority of its total membership; PROVIDED, however, that the Board of Directors is empowered and authorized, for, on behalf and in the name of the Cooperative, to borrow monies from such source and in such amounts as the Board may from time to time determine to be in the Cooperative's best interest, and to mortgage or otherwise pledge or encumber any or all of the Cooperative's property or assets as security therefor.

(b) Notwithstanding the foregoing subsection (a) or any other provisions of these Bylaws, no sale, lease or lease-sale of all or a substantial portion of the Cooperative's assets (other than merchandise and property which in the judgment of the Board of Directors are not necessary or useful in operating the Cooperative) to any other entity shall be authorized except in conformity with the following:

(9) If the Board of Directors looks with favor upon any proposal for such sale, lease or lease-sale, it shall first cause three (3) independent appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such sale, lease or lease-sale and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Superior Court Judge for the Coweta Judicial Circuit.

(10) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are recommended, if any) determines that the proposal should be submitted for consideration by the members, it shall first give every Georgia electric membership corporation nearby or adjacent to the Cooperative (which has not made such an offer for such sale, lease or lease-sale) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric membership corporations, which notice shall attach a copy of the proposal which the Cooperative has already received and a copy of the report(s) of the three (3) appraisers. Such electric membership corporations shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice to them.

(11) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members, expressing in detail each of any such proposals and shall call a special meeting of the members for consideration thereof, which meeting shall not be held any sooner than ninety (90) days after the giving of such notice to the members: PROVIDED, that the consideration thereof by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is not held sooner than ninety (90) days after the giving of such notice.

(12) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the recommendations that the Board has made. The provisions of this subsection (b) shall not apply to a sale, lease or lease-sale to one or more other electric membership corporations if the actual legal or substantive effect thereof is to merge or consolidate with such other one or more electric membership corporations.

**Section 12.02. Distribution of Assets on Dissolution.** In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, and 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 and former members.

## ARTICLE XIII
## FISCAL YEAR

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

## ARTICLE XIV
## RULES OF ORDER

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

## ARTICLE XV
## 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, Georgia."

## ARTICLE XVI
## AMENDMENTS

**Section 16.01. Amendment by Directors.** These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of the members of the Board of Directors at any regular or special meeting, except where action by the members is otherwise provided for by statute, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

**Section 16.02. Amendment by Members.** In cases where Bylaws are to be amended or repealed by vote of the members, the notice of the member meeting at which such amendment, repeal or alteration is to be considered shall clearly set forth the terms of the proposed alteration, amendment or repeal. Any proposed alteration, amendment or repeal of these Bylaws may be submitted to the members by the Board of Directors. Other proposed amendments or alterations to these Bylaws may be submitted to the members by petition signed by not less that fifty (50) members of the Cooperative provided that such petition clearly setting forth the proposed amendments, alterations or repeal are presented to the Secretary of the Cooperative or his nominee not less that sixty (60) days prior to the meeting at which the issue will be considered by the members. No amendments, alterations or repeal of these Bylaws shall be effective except in compliance herewith.

## ARTICLE XVII
## CONTRACT WITH MEMBERS

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 its members, 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.

# DIVERSE POWER INCORPORATED,
# AN ELECTRIC MEMBERSHIP CORPORATION

## FINANCIAL

## POLICY NO. 210: REVIEW OF IRS FORM 990

### I. OBJECTIVES

A. To establish guidelines and procedures for the preparation, and review by the Board of Directors, of the Cooperative's IRS Form 990 (the "Form 990") before it is filed with the Internal Revenue Service.

### II. CONTENT

A. A draft of the Cooperative's Form 990 shall be prepared under the supervision of the Senior Vice President, Administration and Finance of the Cooperative.

B. The person or persons responsible for preparing the Form 990 shall certify that, to the best of their knowledge, the Form 990 is correct and fairly reflects the financial condition of the Cooperative.

C. A draft of the Form 990 shall be distributed to the Board of Directors to review **before** it is to be submitted to the Internal Revenue Service.

D. When reviewing the Form 990, the Board of Directors shall have access to all supporting documentation and the person or persons responsible for preparing the form.

E. The Minutes of the meetings of the Board of Directors shall annually document compliance with this policy and the review of the Form 990.

### III. RESPONSIBILITY

A. It is the responsibility of the President/CEO and the Senior Vice President, Administration and Finance to administer this Policy and to develop appropriate compliance controls.

B. The Board shall be responsible for periodic review of this Policy and any modifications to it.

# DIVERSE POWER INCORPORATED

## GOVERNANCE

## POLICY NO. 601: CONFLICT OF INTEREST

### I. OBJECTIVE:

To spell out those areas where the directors and employees of DPI should avoid conflicts of interest, or any appearance of conflict of interest.

### II. CONTENT:

A. Directors and employees are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial houses, which obligates or induces them to compromise their responsibilities to negotiate, obligate, inspect or audit, or award contracts, with the best interests of DPI uppermost in mind. This does not prohibit receiving gifts or favors of nominal value or casual entertainment that meet all standards of ethical business conduct, and involve no element of concealment.

B. The complete confidentiality of business information must be respected at all times. Directors and employees are prohibited from knowingly disclosing such information to those who do not have the need to know, or whose interest may be adverse to DPI both inside or outside the organization; or in any way using such information for personal gain or advancement; or to the detriment of DPI; or to individually conduct negotiations or make contacts or inquiries on behalf of DPI unless officially designated to do so.

C. Directors and employees are prohibited from acquiring or having a financial interest in any property that DPI acquires or a direct or indirect financial interest in a supplier, contractor, consultant, or other entity with which DPI does business. This does not prohibit the ownership of securities in a publicly-owned company except in a substantial amount by those in a position to materially influence or affect the business relationship between DPI and such publicly-owned company. Any other interest in or relationship with an outside organization or individual having business dealings with DPI is prohibited if this interest or relationship might tend to impair the ability of the directors to serve the best interests of DPI.

If members of the immediate family of a director or employee have a financial interest as specified above, such interest shall be fully disclosed to the Board of Directors which shall decide if such interest should prevent

DPI from entering into a particular transaction, purchase, or employment of services. The term "immediate family" means children or their spouse, husband, wife, sister, brother, parents, foster, or step-parents, grandparents, aunts, uncles, mother- or father-in-law, sister or brother-in-law, or any relative residing in the DPI's directors' or employees' households.

D. Every director and employee of DPI is expected to avoid situations that might be construed as conflicts of interest since it is not feasible in a policy statement such as this to describe all the circumstances and conditions that might be or have the potential of being considered conflicts of interest.

## III. RESPONSIBILITY:

A. The Board Chairman shall ensure the enforcement of this policy.

B. Actions considered inconsistent with these policies are to be reported to the entire board.

C. Each director and employee must disclose any situation that, in his or her opinion, violates, may violate, or could appear to violate the intent of this policy.

# DIVERSE POWER INCORPORATED

## BOARD OF DIRECTORS

## POLICY NO. 123: PRESIDENT/CEO COMPENSATION

### I. OBJECTIVES

A. To establish general guidelines for the Board of Directors of the Cooperative to follow in determining the compensation of the President/CEO of the Cooperative.

B. To provide for compensation arrangements with the President/CEO to be approved in advance by an authorized body composed entirely of individuals who do not have a conflict of interest with respect to the arrangement, with the body obtaining and relying on appropriate comparability data prior to making its determination, and the body adequately documenting its basis for its determination concurrently with such determination.

### II. CONTENT

A. Determinations regarding the compensation of executives shall be made by the Board of Directors, provided only those Directors who do not have a conflict of interest with respect to the compensation arrangement may be present during discussions, participate in discussions and vote. See, Conflict of Interest Policy.

B. In determining the compensation (base, bonus and incentive, as applicable) for the President /CEO of the Cooperative, the Board of Directors shall consider, as it deems appropriate, any of the following factors: compensation for like services paid by utilities, cooperatives and similar organizations; job duties and responsibilities; aggregate benefits provided to the individual (excluding de minimis fringe benefits); any deferred compensation; the size, revenues and organizational structure of the Cooperative; and any other factor the Board of Directors may reasonably deem relevant. The Board of Directors may, as it deems appropriate, utilize independent surveys of comparability data.

1. In considering like services, factors may include: type of work; level of involvement; number of employees managed; budget or assets managed; management of multiple functions, departments, facilities or entities; full-time or part-time; and multiple capacitates in the same or related organizations.

2. In considering like enterprises, factors may include: size by budget, revenues, employees and customers; same business type (whether non-profit, cooperative or for-profit); and entities that may be competing for the same pool of talent.

C. Compensation for the President/CEO shall be reasonable and set in advance.

D. No individual with a financial interest in the determination may be present or participate in the discussion or voting on compensation of the President/CEO.

E. The Board of Directors shall contemporaneously document its deliberations and decisions regarding compensation of the President/CEO in the Board minutes.

## III. RESPONSIBILITY

A. It is the responsibility of the Board of Directors to administer and enforce this Policy. The Board shall maintain appropriate oversight of executive compensation. The Board shall be responsible for periodic review of this Policy and any modifications to it.

Adopted October 16, 2008

# DIVERSE POWER INCORPORATED,
# AN ELECTRIC MEMBERSHIP CORPORATION

## GOVERNANCE

## POLICY NO. 604: KEY EMPLOYEE COMPENSATION (EXCLUDES PRESIDENT/CEO)

### I. OBJECTIVES

A. To establish general guidelines for determining the compensation of key employees, excluding the President/CEO of the Cooperative.

B. To provide for compensation arrangements with key employees (as defines in the instructions to the IRS form 990) to be approved in advance by the President/CEO, to provide a means to avoid a conflict of interest with respect to the arrangement, and to recommend the use of appropriate comparability data and to assure the adequate documentation of the basis for each determination concurrently with such determination.

### II. CONTENT

A. The President/CEO shall perform an evaluation and review of the compensation of key employees of the Cooperative, provided he or she does not have a conflict of interest with respect to the compensation arrangement. See, Conflict of Interest Policy.

B. In determining the compensation (base, bonus and incentive, as applicable) for key employees of the Cooperative, the President/CEO shall consider, as he or she deems appropriate, any of the following factors: compensation for like services paid by utilities, cooperatives and similar organizations; job duties and responsibilities; aggregate benefits provided to the individual (excluding de minimis fringe benefits); any deferred compensation; the size, revenues and organizational structure of the Cooperative; and any other factors he or she may reasonably deem relevant. The President/CEO may, as he or she deems appropriate, utilize independent surveys of comparability data.

1. In considering like services, factors may include: type of work; level of involvement; number of employees managed; budget or assets managed; management of multiple functions, departments, facilities or entities; full-time or part-time; and multiple capacitates in the same or related organizations.

2. In considering like enterprises, factors may include: size by budget, revenues, employees and customers; same business type (whether non-

profit, cooperative or for-profit); and entities that may be competing for the same pool of talent.

C. The President/CEO shall report the compensation of key employees as required by IRS Form 990.

D. Compensation for key employees shall be reasonable and set in advance.

E. No individual with a financial interest in the determination may be responsible for establishing the compensation of the key employees.

F. The President/CEO shall contemporaneously document his or her deliberations and decisions regarding compensation of key employees.

## III. RESPONSIBILITY

A. It is the responsibility of the President/CEO to evaluate and establish the compensation of key employees and to report to Board of Directors pursuant to this Policy. The Board shall maintain appropriate oversight of executive compensation and shall be responsible for periodic review of this Policy and any modifications to it.