

**PEARL RIVER VALLEY  
ELECTRIC POWER  
ASSOCIATION**

**BYLAWS**

OCTOBER 20, 2016

# Pearl River Valley Electric Power Association

Columbia, Mississippi

## BYLAWS

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### ARTICLE I MEMBERSHIP

**SECTION 1.01. ELIGIBILITY.** Any natural person, firm association, corporation, business trust, partnership or body politic (each hereinafter referred to as “person,” “applicant,” “him” or “his”) shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by him, to receive electric service from, Pearl River Valley Electric Power Association (hereinafter called the “Cooperative”). No person shall hold more than one membership in the Cooperative.

**SECTION 1.02. APPLICATION FOR MEMBERSHIP; RENEWAL OF PRIOR APPLICATION.** Application for membership – wherein the applicant shall agree to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the other provisions of the Cooperative’s Certificate 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”) – shall be made in writing on such form as is provided therefor by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03 (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), which fee (and such service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, if any) shall be refunded in the event the application is not approved. Any former member of the Cooperative may, by the sole act of paying a new membership fee and any outstanding account plus accrued interest thereon at the Mississippi legal rate on judgments in effect when such account first became overdue, compounded annually (together with any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in aid of construction that may be required by the Cooperative), renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

**SECTION 1.03. MEMBERSHIP FEE; SERVICE SECURITY AND FACILITIES EXTENSION DEPOSITS; CONTRIBUTION IN AID OF CONSTRUCTION.** The membership fee shall be as fixed from time to time by the Board of Directors. The membership fee (together with any service security deposit, or service connection deposit or fee, facilities extension deposit, or contribution in aid of construction, or any combination thereof, if required by the Cooperative) shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Cooperative (together with a service security deposit, a facilities extension deposit or a contribution in aid of construction, if required by the Cooperative), shall be paid by the member for each additional service connection requested by him.

**SECTION 1.04. JOINT MEMBERSHIP.** A husband and wife, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a member, may automatically convert such membership into a joint membership. The words “member,” “applicant,” “person,” “his” and “him” as used in these Bylaws, shall include husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally, severally and jointly to them. Without limiting the generality of the foregoing –

- (a) The execution by either or both of a mail ballot shall constitute one joint mail vote: PROVIDED, that if both shall execute a mail ballot, but be in disagreement on such vote, each shall constitute only one-half (½) vote;
- (b) the presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting; and a revocation of any proxy executed by either, or both, and a revocation of any mail ballot submitted by either, or both;
- (c) the vote of either or both shall constitute, respectively, one joint vote: PROVIDED, that if both be present but in disagreement on such vote, each shall cast only one-half (½) vote;

- (d) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- (e) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership;
- (f) either, but not both concurrently, shall be eligible to serve as a director of the Cooperative, but only if both meet the qualifications required therefor; and
- (g) neither will be permitted to have any additional service connections except through their one joint membership.

**SECTION 1.05. ACCEPTANCE INTO MEMBERSHIP.** Upon complying with the requirements set forth in Section 1.02, any applicant shall by Board resolution be accepted into membership in, and become eligible to receive 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 the applicant shall be entitled to be present and be heard.

**SECTION 1.06. PURCHASE OF ELECTRIC POWER AND ENERGY; POWER PRODUCTION BY MEMBER; APPLICATION OF PAYMENTS TO ALL ACCOUNTS.** The Cooperative shall use its best efforts to furnish its members with adequate and dependable electric service, although it cannot and therefor does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his 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 by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment by him for service from the Cooperative shall be deemed to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such allocation and 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, and each member shall be credited with the capital so furnished as provided in Article IX of these Bylaws.

**SECTION 1.08. WIRING OF PREMISES; RESPONSIBILITY THEREFOR; RESPONSIBILITY FOR METER TAMPERING OR BYPASSING AND FOR DAMAGE TO COOPERATIVE PROPERTIES; EXTENT OF COOPERATIVE RESPONSIBILITY; INDEMNIFICATION.** Each member shall cause all premises receiving electric service pursuant to his membership to become and to remain wired in accordance with the specifications of the Mississippi Insurance Underwriters Association, the National Electric Code, any applicable state code or local government ordinances, and of the Cooperative, it being understood and agreed that the connection by the Cooperative, to the members premises shall not in any way or manner constitute the Cooperative's approval of the member's wiring or the safety or adequacy of the same. Each member shall be responsible for – and shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage resulting from any defect in or improper use or maintenance of – such premises and all wiring and apparatuses 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 electric service and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto for meter reading and for inspection, maintenance, replacement, relocation or repair of such facilities at all reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. Each member shall also provide such protective devices to his premises, apparatuses or meter base as the Cooperative shall from time to time require in order to protect the Cooperative's physical facilities and their operation and to prevent any interferences with or damage to such facilities. In the event such facilities are interfered with, impaired in their operation or damaged by the member, or by any other person when the member's reasonable care and surveillance should have prevented such, the member shall indemnify the Cooperative and its employees, agents and independent contractors against death, injury, loss or damage 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. The Cooperative shall, however, in accordance with its applicable service rules and regulations, indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Cooperative's billing procedures. In no event shall the responsibility of the Cooperative extend beyond the point of delivery.

**SECTION 1.09. MEMBER TO GRANT EASEMENTS TO COOPERATIVE AND TO PARTICIPATE IN REQUIRED COOPERATIVE LOAD MANAGEMENT PROGRAMS.** Each member shall, upon being requested so to do by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members or for the construction, operations, maintenance or relocation of the Cooperative's electric facilities. Each member shall participate in any required program that may be established by the Cooperative to enhance load management, more efficiently to utilize or conserve electric energy or to conduct loan research.

## **ARTICLE II MEMBERSHIP SUSPENSION AND TERMINATION**

**SECTION 2.01. SUSPENSION; REINSTATEMENT.** Upon his failure, after the expiration of the initial time limit prescribed either in a specific notice to him or in the Cooperative's generally publicized applicable rules and regulations, to pay any amounts due the Cooperative or to cease any other non-compliance with his membership obligations, a person's membership shall automatically be suspended; and he shall not during such suspension be entitled to receive electric service from the Cooperative or to cast a vote at any meeting of the members. Payment of all amounts due the Cooperative, including any additional charges required for such reinstatement, and/or cessation of any other noncompliance with his membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive electric service from the Cooperative and to vote at the meetings of its members.

**SECTION 2.02. TERMINATION BY EXPULSION; RENEWED MEMBERSHIP.** Upon failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, he may, without further notice, but only after due hearing if such is requested by him, be expelled by resolution of the Board of Directors at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event such person's membership shall be reinstated retroactively to the date of his expulsion. After any finally effective expulsion of a member, he may not again become a member except upon new application therefor duly approved as provided in Section 1.05. The Board of Directors, acting upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

**SECTION 2.03. TERMINATION BY WITHDRAWAL OR RESIGNATION.** A member may withdraw from membership upon such generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with the 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 his membership, or (b) except when the Board of Directors specifically waives such 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 OR MEMBERSHIP IN REMAINING OR NEW PARTNERS.** Except as provided in Section 2.06, the death of an individual human member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: PROVIDED, that upon the dissolution for any reason of a partnership, or upon the death, withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining and/or new partner or partners as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership in the same manner and to the same effect as though such membership had never been by different partners: PROVIDED FURTHER, that neither a withdrawing partner nor his estate shall be released from any debts then due the Cooperative.

**SECTION 2.05. EFFECT OF TERMINATION.** Upon the termination in any manner of a person's membership, he or his estate, as the case may be, shall be entitled to refund of his membership fee (and to his service security deposit, if any, theretofore paid the Cooperative), less any amount due the Cooperative; but neither he nor his 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 such release of such person from his membership obligations 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.

**SECTION 2.06. EFFECT OF DEATH, LEGAL SEPARATION OR DIVORCE UPON A JOINT MEMBERSHIP.** Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the estate of the deceased spouse shall not be released from any debt due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint: PROVIDED, that the other spouse shall not be released from any debts due the Cooperative.

**SECTION 2.07. BOARD ACKNOWLEDGEMENT OF MEMBERSHIP TERMINATION; ACCEPTANCE OF MEMBERS RETROACTIVELY.** Upon the termination of a person's membership for any reason, the Board of Directors, so soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination, effective as of the date on which the Cooperative ceased furnishing electric service to such person. Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person applies for, and the Board of Directors approves, membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership and all related records accordingly: PROVIDED, if the Cooperative acquired facilities which are already providing electric service to patrons not members of the Cooperative, the Cooperative may continue furnishing such preexisting service without requiring such patrons to become members if to do otherwise would create hardship, but in no event shall such non-member patrons exceed forty-nine (49%) percent of the persons served by the Cooperative.

## **ARTICLE III MEETINGS OF MEMBERS**

**SECTION 3.01. ANNUAL MEETING.** For the purposes of electric directors, hearing and passing upon reports covering the previous fiscal year, and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held on the 4<sup>th</sup> Saturday of the month of September each year, at such place in one of the counties in Mississippi within which the Cooperative serves, and beginning at such hour, as the Board of Directors shall from year to year fix: PROVIDED, that, for cause sufficient to it, the Board of Directors may fix a different date for such annual meeting not more than thirty (30) days prior or subsequent to the day otherwise established for such meeting in this Section. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

**SECTION 3.02. SPECIAL MEETINGS.** A special meeting of the members may be called by the Board of Directors, by any four Directors or upon the written petition of not less than ten (10%) percent of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at the time and in the County and at the site of the preceding annual member's meeting if such is available, and if not available, at such place as the Board of Directors may designate, on such date, not sooner than forty (40) days after the call for such meeting is made or a petition therefor is filed.

**SECTION 3.03. NOTICE OF MEMBER MEETINGS.** Written or printed notice of the place, day and hour of the meeting 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 XI, be delivered to each member not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting, by any reasonable means, by the Secretary (and, in the case of a special meeting, at the direction of him or those calling the meeting). Reasonable means of providing such notice shall be the United States mail, personal delivery, the Cooperative's monthly newsletter, or with member service billings. No matter the carrying of which, as provided by law, requires the affirmative votes of at least a majority of all the Cooperative's 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 at his address as it appears on the records of the Cooperative, with postage thereon prepaid and postmarked at least ten (10) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental and non-intended failure of any member to receive such notice shall not invalidate any action which

may be taken by the members at any such meeting, and the attendance in person or by proxy of a member at any meeting of the members shall constitute a waiver 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. Any member attending any meeting for the purpose of making such objection shall notify the Secretary prior to or at the beginning of the meeting of his objection.

**SECTION 3.04. QUORUM.** Subject to the laws under which the Cooperative is organized, and also subject to the limitation hereinafter set out, fifty (50) persons, present in person, or by proxy, shall constitute a quorum for the transaction of the business of the Cooperative at all meeting of its members, both regular or special, except a meeting where the question, or matter, of the sale of assets of the Cooperative as authorized by Section 11.01, Subsection (b) of the bylaws. In all instances of a meeting, regular or special, where the disposition of property is to be considered, as authorized by said Section 11.01, Subsection (b) of these Bylaws, then the quorum for such meeting shall be 10% of the members of the association, present in person, or by proxy. In case of a joint membership, the presence of either of the joint members, or both, shall be regarded as one as set out in Section 1.04.

**SECTION 3.05. VOTING.** Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to only one vote upon each matter submitted to a vote at any meeting of the members. A member may vote in person, by proxy or by absentee ballot. 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 that Directors shall be elected by a plurality of the votes cast as provided by Section 4.04 and except as otherwise provided by law or by the Cooperative's Certificate of Incorporation or these Bylaws. Members may not cumulate their votes.

**SECTION 3.05A. PROXIES.** At any meeting of the members or any adjournment thereof, any member may vote by proxy, but only if such proxy (a) is registered with the Secretary or his duly designated registrar before or at the time of the meeting or any adjournment thereof, or, if such proxy is to be voted on any matter the carrying of which requires the affirmative votes of not less than a majority of all the Cooperative's members, is registered with the Cooperative at its principal office during office hours on or before the third business day next preceding the date of the meeting or any adjournment thereof, as the case may be, (b) is executed by the member in writing and designates the holder thereof (and if the member so desires, an alternative holder thereof and/or conferring upon the holder(s) full power of substitution), which holder(s) shall be the member's spouse, an adult close relative (18 years or older) residing in the same household as the member, or another member who is a natural person, and (c) specifies the particular meeting and/or any adjournment thereof at which it is to be voted and is dated not more than ninety (90) days prior to the date of such meeting or any adjournment thereof: PROVIDED, that any mailed proxies are not otherwise dated shall be deemed dated as postmarked if postmark is satisfactorily evidenced; AND PROVIDED FURTHER, that any proxy valid at any meeting shall be valid at any adjournment thereof unless the proxy itself specifies otherwise or is subsequently revoked by another proxy or by the presence in person of the member at such adjournment. A proxy may be unlimited as to the matters on which it may be voted or it may be restricted; a proxy containing no restriction shall be deemed to be unlimited. In the event a member executes two or more proxies for the same meeting or for any adjournment thereof, the most recently dated proxy shall revoke all others; if such proxies carry the same date and are held by different persons, none of them will be valid or recognized. The presence in person of a member at a meeting or any adjournment thereof shall revoke any proxy theretofore executed by him for such meeting or for such adjournment thereof, as the case be, and he shall be entitled to vote in the same manner and with the same effect as if he had not executed a proxy. No one person may vote as proxy for more than three (3) members on any matter. Notwithstanding the foregoing provisions of this Section, whenever a member is absent from a meeting of the members but whose spouse attends such meeting, such spouse shall be deemed to hold, and may exercise and vote, the proxy of such member to the same extent that such member could vote if present in person, unless such member has given a written proxy to some other person eligible to vote such proxy.

**SECTION 3.05B. MAIL VOTING.** Votes by absentee ballot upon any matter, except as herein expressly limited by Section 3.05C immediately following, shall be upon forms or ballots prescribed by the Directors, and submitted to the members at least seven (7) days in advance of each meeting. No votes by absentee ballot upon any issue will be counted unless they are on the forms or ballots prescribed and submitted to the members, and in accordance with the direction thereon, and unless they are either mailed to the Cooperative, delivered to the office of the Cooperative, or given to any bona fide employee of the Cooperative. The said forms or ballots provided for the absentee ballots shall be sent to all members at the same time and under the same conditions that notice of the meeting is sent to the said members. If a husband and wife hold a joint membership, they shall jointly be entitled to one (1) vote, and no more.

**SECTION 3.05C. MAIL VOTING NOT PERMITTED.** Predicated on the severity, and potential finality of the situation, it is imperative that the issue of the sale, mortgage, lease or otherwise encumbrance or disposition of the association's property, requires the personal attendance of members actually present, either in person or by duly executed proxy, so that members may hear discussion thereon and have the benefit of all applicable facts in connection therewith. For this reason, no

mail ballots may be used by members, and no votes cast by absentee ballots, by members, in the matter of the sale, mortgage, lease, encumbrance or disposition of the association's property, when such sale, mortgage, lease, encumbrance or disposition of property is required by Section 77-5-237 of the Mississippi Code of 1972, as amended.

**SECTION 3.06. CREDENTIALS AND ELECTION COMMITTEE.** The Board of Directors may, at least ten (10) days before any meeting of the members, appoint a Credentials and Election Committee. The Committee shall consist of any uneven number of members, not less than three (3) nor more than five (5), who are not existing Cooperative employees, agents, officers, directors, or known candidates for director, and who are not close relatives (as hereinafter defined) or members of the same household of existing Cooperative employees, agents, officers, directors or known candidates for director. In appointing the Committee, the Board shall have 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 to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all questions that may arise with respect to the registration of members in person, or by proxy, to supervise the counting of all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast, 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 and the regularity of the nomination and election of directors), and to pass upon any protest or objection filed with respect to any election or to conduct hearings affecting the results of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of, the meeting in which the voting is 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(s) or objector(s), 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 it aside. 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. In the event of the failure of the Board to so appoint said committees, then in that event the Chairman of the members' meeting shall appoint said committees during the forepart of the members' meeting.

**SECTION 3.07. ORDER OF BUSINESS.** The order of business at the annual meeting of the members, and so far as possible at all other meetings of the members, shall be substantially as follows:

1. Call of the roll, or report on the number of members present.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver of waivers of notice of the meeting, as the case may be.
3. Report of Credentials Committee to determine existence, or absence, of a quorum.
4. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
5. Presentation, consideration and action upon reports of officers, directors, and committees.
6. Election of directors.
7. Unfinished business.
8. New business.
9. 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 may be transacted until and unless the existence of a quorum is first established.

## ARTICLE IV

## **DIRECTORS**

**SECTION 4.01. NUMBER AND GENERAL POWERS.** The business and affairs of the Cooperative shall be managed by a board of ten (10) directors, one of whom shall be selected from the Cooperative's entire area at large and who shall be of the minority race (sometimes hereinafter referred to as "Director At-Large), which shall exercise all of the powers of the Cooperative except such as are by law, or by the articles of incorporation of the Cooperative, or by these bylaws conferred upon or reserved to the members. Unless specifically stated otherwise or inconsistent with provisions herein applicable to the Director At-Large, references to "Director" in singular or plural shall apply to the Director At-Large.

**SECTION 4.02. DIVISION OF THE COOPERATIVE'S AREA FOR ELECTION OF DIRECTORS.** For the purpose of nomination of, election from, and service of directors the entire area served by the Cooperative shall be and hereby is divided into nine (9) districts, with one director to be nominated from, elected from, and to serve from each of said districts, and one director to be nominated from, elected from and to serve from the Cooperative's entire area at large and who shall be of the minority race (the Director At-Large). The nine (9) districts are identified and described as follows, to-wit:

### **DISTRICT NUMBER 1:**

All that portion of the certificated area of the Cooperative described as being circumscribed by a line run as follows, to-wit:

Beginning at the point where the Northerly boundary line of U.S. Highway 98 intersects the thread of the Pearl River; run thence in an Easterly direction along the Northerly boundary of said highway to the intersection of the Eastern boundary of Section 4, Township 3 North, Range 18 West; run thence North on section line to the Northeast corner of Section 21, Township 5 North, Range 18 West; run thence East along section line to the Northeast corner of Section 24, Township 5 North, Range 17 West, being the Marion County – Lamar County boundary line; run thence South along said boundary line to the Southwest corner of Section 19, Township 5 North, Range 16 West; run thence East along section line to the Southeast corner of Section 24, Township 5 North, Range 16 West, being the R15W – R16W range line; run thence North along said range line to the boundary of the certificated area; run thence West around the certificated area to the intersection of the thread of the Pearl River; run thence Southerly down the thread of the Pearl River to the point of the beginning.

### **DISTRICT NUMBER 2:**

All that portion of the certificated area of the Cooperative described as being circumscribed by a line run as follows, to-wit:

Beginning at the point where the Northerly boundary line of U.S. Highway 98 intersects the Western boundary of Section 3, Township 3 North, Range 18 West; run thence East along the Northerly boundary of said highway to the intersection of the Western boundary of Section 33, Township 4 North, Range 17 West; run thence South down section line to the Southwest corner of Section 16, Township 3 North, Range 17 West; run thence East along section line to the Northwest corner of Section 24, Township 3 North, Range 17 West; run thence South along section line to the Southwest corner of Section 24, Township 3 North, Range 17 West; run thence East along section line to the Southeast corner of Section 24, Township 3 North, Range 14 West, being the Lamar County – Forrest County boundary line; run thence North along said boundary line to the Northeast corner of Section 1, Township 3 North, Range 14 West, being the T3N – T4N township line; run thence West along said township line to the Northwest corner of Section 1, Township 3 North, Range 15 West; run thence North along section line to the intersection of the Southerly boundary line of U.S. Highway 98; run thence Westerly along the Southerly boundary line of said highway to the intersection of the Western boundary line of Section 19, Township 4 North, Range 15 West, being the R15W – R16W range line; run thence North up said range line to the Northeast corner of Section 25, Township 5 North, Range 16 West; run thence West along section line to the



Northwest corner of Section 30, Township 5 North, Range 16 West, being the R16W – R17W range line; run thence North along said range line to the Northeast corner of Section 24, Township 5 North, Range 17 West; run thence West along section line to the Northwest corner of Section 22, Township 5 North, Range 18 West; run thence South down section line to the point of the beginning.

**DISTRICT NUMBER 3:**

All that portion of the certificated area of the Cooperative described as lying West of a line run as follows, to-wit:

Beginning at a point where the Northwestern boundary of the certificated area intersects the thread of the Pearl River; run thence Southerly down the thread of said river to the intersection of the Northern boundary line of Section 16, Township 2 North, Range 18 West; run thence East along section line to the Northeast corner of Section 13, Township 2 North, Range 18 West, being the R17W – R18W range line; run thence South down said range line to the Northwest corner of Section 31, Township 2 North, Range 17 West; run thence East along section line to the Northeast corner of Section 33, Township 2 North, Range 17 West; run thence South down section line to the boundary of the certificated area.

**DISTRICT NUMBER 4:**

All that portion of the certificated area of the Cooperative described as being circumscribed by a line run as follows, to-wit:

Beginning at a point where the Southerly boundary line of U.S. Highway 98 intersects the thread of the Pearl River; run thence Southerly down the thread of said river to the intersection of the Southern boundary line of Section 9, Township 2 North, Range 18 West; run thence East along section line to the Southeast corner of Section 12, Township 2 North, Range 18 West, being the R17W – R18W range line; run thence South down said range line to the Southwest corner of Section 30, Township 2 North, Range 17 West; run thence East along section line to the Northwest corner of Section 34, Township 2 North, Range 17 West; run thence South down section line to the boundary line of the certificated area; run thence Easterly around the certificated area to the intersection of the R14W – R15W range line; run thence North up said range line to the Northeast corner of Section 24, Township 2S, Range 15W; run thence West along section line to the Southeast corner of Section 15, Township 2 South, Range 15 West; run thence North along section line to the Northeast corner of Section 3, Township 1 South, Range 15 West, being the T1S – T1N township line; run thence East along said township line to the Southeast corner of Section 35, Township 1 North, Range 15 West; run thence North up section line to the Northeast corner of Section 26, Township 3 North, Range 15 West; run thence West along section line to the Northwest corner of Section 25, Township 3 North, Range 17 West; run thence North along section line to the Northeast corner of Section 23, Township 3 North, Range 17 West; run thence West along section line to Northwest corner of Section 21, Township 3 North, Range 17 West; run thence North up section line to the intersection of the Southerly boundary line of U.S. Highway 98; run thence Westerly along said highway to the point of the beginning.

**DISTRICT NUMBER 5:**

All that portion of the certificated area of the Cooperative described as being circumscribed by a line run as follows, to-wit:

Beginning at a point where the Northerly boundary line of U.S. Highway 98 intersects the Western boundary line of Section 19, Township 4 North, Range

15 West, being the R15W – R16W range line; run thence Easterly along the Northerly boundary line of said highway to the intersection of the Eastern boundary line of Section 9, Township 4 North, Range 14 West; run thence South down section line to the Southwest corner of Section 15, Township 4 North, Range 14 West; run thence East along section line to the Southeast corner of Section 13, Township 4 North, Range 14 West, being the Lamar County – Forrest County boundary line; run thence North along section line to the boundary of the certificated area; run thence Westerly around the certificated area to the intersection of the R15W – R16W range line; run thence South down said range line to the point of the beginning.

**DISTRICT NUMBER 6:**

All that portion of the certificated area of the Cooperative described as being circumscribed by a line run as follows, to-wit:

Beginning at a point where the Southerly boundary line of U.S. Highway 98 intersects the Western boundary line of Section 13, Township 4 North, Range 15 West; run thence South down section line to the Southwest corner of Section 36, Township 4 North, Range 15 West, being the T3N – T4N township line; run thence East along said township line to the Southeast corner of Section 36, Township 4 North, Range 14 West, being the Lamar County – Forrest County boundary line; run thence North along said boundary line to the Northeast corner of Section 24, Township 4 North, Range 14 West; run thence West along section line to the Northwest corner of Section 22, Township 4 North, Range 14 West; run thence North along section line to the intersection of the Southerly boundary line of Highway 98; run thence Westerly along the boundary line of said highway to the point of the beginning.

**DISTRICT NUMBER 7:**

All that portion of the certificated area of the Cooperative described as being circumscribed by a line run as follows, to-wit:

Beginning at the Northeast corner of Section 25, Township 3 North, Range 14 West, being the Lamar County – Forrest County boundary line; run thence South down said boundary line to the Southeast corner of Section 12, Township 1 North, Range 14 West; run thence East along section line to the Northeast corner of Section 13, Township 1 North, Range 13 West, being the R12W – R13W range line; run thence South down said range line to the Southeast corner of Section 36, Township 1 South, Range 13 West, being the Forrest County – Stone County boundary line; run thence West along said boundary line to the Southeast corner of Section 32, Township 1 South, Range 13 West; run thence South down section line to the boundary of the certificated area; run thence Westerly around the certificated area to the intersection of the R14W – R15W range line; run thence North up said range line to the Southwest corner of Section 18, Township 2 South, Range 14 West; run thence West along section line to the Southwest corner of Section 14, Township 2 South, Range 15 West; run thence North along section line to the T1S – T1N township line; run thence East along said township line to the Southwest corner of Section 36, Township 1 North, Range 15 West; run thence North along section line to the Northwest corner of Section 25, Township 3 North, Range 15 West; run thence East along section line to the point of the beginning.

**DISTRICT NUMBER 8:**

All that portion of the certificated area of the Cooperative described as lying East and North of a line run as follows, to-wit:

Beginning at a point where the R13W – R14W range line intersects the Northern boundary of the certificated area; run thence South down said range

line to the Southwest corner of Section 7, Township 1 North, Range 13 West; run thence East along section line to the Southeast corner of Section 12, Township 1 North, Range 13 West, being the R12W – R13W range line; run thence South down said range line to the Southwest corner of Section 31, Township 1 South, Range 12 West, being the Forrest County – Stone County boundary line; run thence East along said boundary line to the intersection of the boundary of the certificated area.

**DISTRICT NUMBER 9:**

All that portion of the certificated area of the Cooperative described as lying South and East of a line run as follows, to-wit:

Beginning at a point where the T1S – T2S township line, being the Perry County – George County boundary line, intersects the Eastern boundary of the certificated area; run thence West along said township line to the Northwest corner of Section 4, Township 2 South, Range 13 West; run thence South along section line to the boundary of the certificated area.

**SECTION 4.03. QUALIFICATIONS AND TENURE.** The persons named as directors in the Articles of Incorporation of the Cooperative shall compose the Board of Directors until the first annual meeting or until their successors shall have been elected and shall have qualified. Beginning with the annual members' meeting to be held in the year 1967, the said directors shall be elected in accordance with the provisions of Chapter 34, Section 1, of the Extraordinary Session of the Mississippi Legislature of 1966 (effective December 28, 1966). At said 1967 annual members' meeting, to be held on the fourth Saturday in September of 1967, directors from District Nos. 1, 4 and 9 shall be elected for a term of one (1) year; directors from District Nos. 2, 5 and 7 shall be elected for a term of two (2) years; and directors from District Nos. 3, 6 and 8 shall be elected for a term of three (3) years. At each annual meeting thereafter all directors, excluding the Director At-Large, shall be elected for a term of three (3) years, with only three (3) directors to be elected each year being one (1) from each of the districts for which the directors' term of office is expiring. The directors shall be elected by ballot, by and from the members, to serve until the expiration of their term of office or until their successors shall have been elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of directors. No person shall be eligible to become or remain a director in the Cooperative who is not a member of the Cooperative and a resident of the district from which he is elected. The director may not be employed by or financially interested in a competing enterprise, or a business selling electric energy to the Cooperative, or a business primarily engaged in selling electrical or plumbing appliances, fixtures or supplies to the members of the Cooperative. No person shall take or hold office as a director who is the incumbent or a candidate for any elective county, beat, district, or state public office. When a membership is held jointly by husband and wife, either one, but not both, may be elected a director, provided, however, that neither one shall be eligible to become or remain a director or to hold a position of trust in the Cooperative unless both shall meet the qualifications hereinabove set forth.

No person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director or of an employee of the Cooperative, or is not a member of the Cooperative and receiving service therefrom at his primary residential abode: PROVIDED, that the operating or chief executive of any member which is not a natural person, such as a corporation, church, etc., or his designee, shall, notwithstanding that he does not receive service from the Cooperative at this primary residential abode, be eligible to become a director, from the Directorate District in which such member is located if he or such designee (1) is in substantial permanent occupancy, direction or use of the premises served by the Cooperative, and (2) is a permanent and year-round resident within or in close proximity to an area served by the Cooperative; BUT PROVIDED FURTHER, that no more than one (1) such person may serve on the Board of Directors at the same time. No person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is not at least twenty-one (21) years of age. Upon establishment of the fact that a nominee for director lacks eligibility under this Section or as may be provided elsewhere in these Bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for, or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.

It shall be the duty of the Board of Directors to appoint the initial Director At-Large by a majority vote of the Board of Directors. All provisions of these By-Laws applicable to Directors with respect to the qualifications to serve, eligibility, restrictions and limitations, tenure, removal or otherwise, except as specifically stated herein as to the Director At-Large or

inconsistent with the provisions herein for the Director At-Large, shall be applicable to the Director At-Large. The term of the initial Director At-Large shall be not less than two (2) years nor more than three (3) years from the date of appointment. Thereafter, the Director At-Large shall be elected for a term of three (3) years in the same manner as Directors.

**SECTION 4.04. ELECTION.** At each annual meeting of the members, directors shall be elected by secret written ballot by the members who are natural persons. If there be no objection, secret written ballots may be dispensed with and voting may be by voice, and indication by hand or in any other proper manner. Directors shall be elected by a plurality of the votes cast, even though such plurality does not constitute a majority of the votes cast. Drawing by lot shall resolve, where necessary, any tie votes.

**SECTION 4.05. NOMINATIONS.** It shall be the duty of the Board of Directors to appoint, not less than seventy-five (75) days nor more than one hundred (100) days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of ten (10) members, one of whom shall be a resident of each of the nine (9) districts as described in Section 4.02, hereinabove and one of whom shall be selected from the Cooperative's entire area at large. One of the members of the nominating committee shall be of the minority race. No officer or member of the Board of Directors shall be appointed a member of such committee nor shall any person be appointed to said committee who is a 'close relative' of a director as defined in Section 4.14 of Article IV of said By-Laws. The committee shall prepare and post at the principal office of the Cooperative, at least seventy (70) days before the meeting, a list of nominations for the three directors, and when applicable, the Director At-Large, to be elected. In addition to the persons nominated by the committee on nominations, a person may qualify as a candidate for director by a petition containing the signatures of at least fifty (50) members of the Association, which said petition must be filed at least sixty (60) days prior to the said annual members' meeting, at the office of the General Manager of the Association. In the event of the filing of such petition, by said members, the Secretary of the Association shall post the names of any such persons, so nominated by petition, which said posting shall be made by the Secretary at least sixty (60) days prior to the meeting and at the same place where the list of nominations made by the committee is posted. The Secretary shall cause to be mailed with the notice of the meeting a statement of the number of directors to be elected and showing separately the nominations made by the committee on nominations and the nominations made by petition, if any. Notwithstanding anything in this section contained, failure to comply with any of the provisions of this section shall not affect in any manner whatsoever the validity of any election of directors.

**SECTION 4.06. VOTING FOR DIRECTORS.** Each member, as defined elsewhere in these bylaws, shall be entitled to vote for each of nine (9) directors of the Cooperative to be selected at the 1967 annual meeting, and for each of three (3) directors, and when applicable, the Director At-Large, to be selected at each of the annual members meetings to be held. Each of said members being entitled to one vote for one director from each of said districts, and also, when applicable, one Director At-Large, as described in Section 4.02 of these Bylaws, from which a director is being elected. No cumulative voting will be allowed; and, therefor, no member may cumulate his or her votes and cast more than one vote for a director from either of said districts notwithstanding the provisions contained in this section. Failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors.

**SECTION 4.07. VACANCIES.** Vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors, and directors thus elected shall serve for the entire unexpired term of office to which the directors whose office is vacant was elected, or until their successors shall have been elected and shall have qualified, provided that such a director shall be from the same Directorate District as was the director whose office was vacated.

**SECTION 4.08. REMOVAL OF DIRECTORS BY MEMBERS.** Any member may bring one or more charge(s) for cause against any one or more director(s) and may request the removal of such director(s) by reason thereof by filing with the Secretary such charge(s) in writing together with a petition signed by not less than ten (10%) percent of the total membership of the Cooperative, which petition calls for a special member meeting thereon and specifies the place, time and date thereof not less than forty (40) days after the filing of such petition, or which requests that the matter be acted upon at the subsequent annual members' meeting if such meeting will be held no sooner than forty (40) days after the filing of such petition. The place and site of said special meeting shall be the same place and site where the last annual members' meeting was held so long as the same is available. Each page of the petition shall, in the forepart thereof, state the name(s) and address(es) of the member(s) filing such charge(s) and a verbatim statement of such charge(s) and the name(s) of the director(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. Notice of such charge(s) verbatim, of the director(s) against whom the charge(s) have been made and of the member(s) filing the charge(s) shall be contained in the notice of the meeting, or separately noticed to the members not less than ten (10) days prior to the member meeting at which the matter will be acted upon. Such director(s) shall be informed in writing of the charge(s) after they have been validly filed and at least twenty (20) days prior to the meeting of the members at which the charge(s) are to be considered, and shall have the opportunity at the meeting to be heard in person, by witnesses or by counsel or by any combination of such, and to present evidence in respect of the charge(s); and the person(s) bringing the charge(s) shall have the same opportunity, but must be heard first. The question

of the removal of such director(s) shall, separately for each if more than one has been charged be considered and voted upon at such meeting.

**SECTION 4.09. VACANCIES CREATED BY REMOVAL.** A vacancy occurring in the Board of Directors because of removal of a director shall be filled by the Board of Directors as set out in Section 4.07. A director thus elected shall serve out the unexpired term of the director who was removed and until a successor is elected and qualified: PROVIDED, that such a director shall be from or with respect to the same Directorate District as was the director whose office was vacated, except as to a vacancy occurring in the Director At-Large, who may be from any one of the Districts defined in Section 4.02.

**SECTION 4.10. COMPENSATION; EXPENSES.** Directors shall be entitled to reimbursement for expenses incurred by them in the performance of their duties. In addition to providing reimbursement for expenses, the Board may authorize compensation to be paid such directors for the time actually spent by them in the performance of their official duties.

**SECTION 4.11. RULES, REGULATIONS, RATE SCHEDULES AND CONTRACTS.** The Board of Directors shall have power to make, adopt, amend, abolish, and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Cooperative's Certificate of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**SECTION 4.12. ACCOUNTING SYSTEM AND REPORTS.** The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

**SECTION 4.13. SUBSCRIPTION TO STATEWIDE PUBLICATION.** For the purpose of disseminating information devoted to the economical, effective and conservative use of electric energy, the Board of Directors shall be empowered, on behalf of and for circulation to the members periodically, to subscribe to the statewide publication, "Mississippi EPA News", the annual subscription price per member of which shall be not less than \$.50 non more than \$2.50, and which shall be deducted from any funds accruing in favor of such members, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

**SECTION 4.14. "CLOSE RELATIVE" DEFINED.** As used in these Bylaws, "close relative" means a person who, by blood or in-law, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal.

## **ARTICLE V MEETING OF DIRECTORS**

**SECTION 5.01. REGULAR MEETINGS.** A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the annual meeting of the members, or as soon thereafter as conveniently may be, at such site as designated by the Board in advance of the annual members' meeting. A regular meeting the Board of Directors shall also be held monthly at such date, time, and place in one of the Counties in Mississippi within which the Cooperative serves as the Board shall provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof, except when business to be transacted thereat shall require special notice: PROVIDED, that any director absent from any meeting of the Board at which such a resolution initially determines or makes any change 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: AND PROVIDED FURTHER, that, if a policy therefor is established by the Board, the President may change the date, time or place of a regular monthly meeting for good cause and upon at least five (5) days' notice thereof to all directors.

**SECTION 5.02. SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called Board resolution, by the President, or by any four (4) 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 5.03. The Board, the President, or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in a County in Mississippi within which the Cooperative serves, unless all directors consent to its being held in some other place in Mississippi or elsewhere. Special meetings may also be held via telephone conference call, without regard to the actual location of the directors at the time of such a telephone conference meeting, if all the directors consent thereto.

**SECTION 5.03. NOTICE OF DIRECTORS MEETINGS.** Written notice of the date, time, place and purpose or purposes of any special meetings of the Board and, when the business to be transacted thereat shall require such, 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 him or those calling it in the case of a special meeting or by any director in the case of a meeting whose 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 address as it appears on the records of the Cooperative, with first class 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 5.04. QUORUM.** The presence in person of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of a majority of the directors present and voting shall be required for any action to be taken: PROVIDED, that a director who by law or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of and action upon that matter, be counted in determining the number of directors in office or present: 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 the absent directors to be duly and timely notified of the date, time and place of such adjourned meeting.

## **ARTICLE VI OFFICERS; MISCELLANEOUS**

**SECTION 6.01. NUMBER AND TITLE.** The officers of the Cooperative shall be a President, Vice President, Secretary and Treasurer, and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

**SECTION 6.02. ELECTION AND TERM OF OFFICE.** The four officers named in Section 6.01 shall be elected annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after the annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of the Bylaws with respect to the removal of directors and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

**SECTION 6.03. 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 interests of the Cooperative will thereby be served.

**SECTION 6.04. VACANCIES.** A vacancy in any office elected or appointed by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

**SECTION 6.05. PRESIDENT.** The President shall –

- (a) be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Directors, and, unless determined otherwise by the Board of Directors, at all meetings of the members.
- (b) sign, with the Secretary, certificates of membership the issue of which shall have been authorized by a resolution of the Board of Directors, and may sign 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) in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**SECTION 6.06. VICE PRESIDENT.** In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

**SECTION 6.07. SECRETARY.** The Secretary shall –

- (a) keep, or cause to be kept, the minutes of the meetings of the members and of the Board of Directors in one 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 of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and to all documents the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws or is 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) sign, with the President, certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors;
- (f) have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) keep on file at all times a complete copy of the Cooperative's Certificate of Incorporation and 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 the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

**SECTION 6.08. TREASURER.** The Treasurer shall –

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipt for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or in such financial institutions or securities as shall be selected in accordance with the provision of these Bylaws not inconsistently with Mississippi Code Ann. Section 77-5-247; and
- (c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

**SECTION 6.09. DELEGATION OF SECRETARY'S AND TREASURER'S RESPONSIBILITIES.** Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 6.07 and 6.08, 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 each such officers' such 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 any such officers, that officer as such shall be released from such duties, responsibilities and authorities.

**SECTION 6.10. GENERAL MANAGER; EXECUTIVE VICE PRESIDENT.** The Board of Directors may appoint a general manager, who may be, but who shall not be required to be, a member of the Cooperative, and who also may be designated Executive Vice President. Such officer 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.

**SECTION 6.11. 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. The costs of all such bonds shall be borne by the Cooperative.

**SECTION 6.12. COMPENSATION; INDEMNIFICATION.** The compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined as provided in Section 4.10 of these Bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefor approved by the Board of Directors. The Cooperative shall indemnify directors, officers, including the General Manager (and, if so titled, the Executive Vice-President), agents and employees (and may purchase insurance to cover such indemnification) against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Cooperative or were not against the best interests of the Cooperative.

**SECTION 6.13. REPORTS.** The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year and showing the condition of the Cooperative at the close of such fiscal year.

## **ARTICLE VII INDEMNIFICATION OF OFFICERS AND DIRECTORS**

Each Officer and Director (including the General Manager and any person while acting in the capacity of General Manager) of this Association now or hereafter serving as such, shall be indemnified by this Association against any and all claims and liabilities asserted in any threatened, pending, or future action, suit, or proceeding, whether civil, criminal, administrative, or investigative, to which he is a party, or is threatened, or should be made a party, by reason of the fact that he is or was an Officer or Director of this Association, or by reason of any action alleged to have been taken, omitted, or neglected by him as such Officer or Director, against expenses, attorneys' fees, court costs, judgments, fines, and amounts paid in settlement or after judgment, actually reasonably incurred by him in connection with such action, suit, or proceeding; provided, no reimbursement for the settlement of any claim made against any Officer or Director indemnified hereunder shall be made except where such settlement has been approved by the Board of Directors of the Association prior to the consummation thereof. No Officer or Director shall be indemnified against or be reimbursed for any expense incurred in connection with any claim or liability arising out of his own willful misconduct or gross negligence; in such event, the Board of Directors of the Association shall be the sole judge of the willful misconduct or gross negligence of any Officer or Director indemnified hereunder, and their determination thereof shall be final and conclusive as to such conduct.

No Officer or Director shall be entitled to any indemnification hereunder except in the event the amount or amounts required to be paid on the items hereinabove enumerated, by any Officer or Director indemnified hereunder, shall exceed any insurance coverage provided such Officer or Director by the Association, or carried individually by such Officer or Director, and then only in such amount paid by such Officer or Director which actually exceeds all payments made on behalf of such Officer or Director by an insurance carrier or carriers.

The provisions of this Section shall be applicable to actions or proceedings commenced after the adoption hereof, whether arising from acts or omissions occurring before or after the adoption hereof, and to any such Officers or Directors who should hereafter cease to be Officers or Directors, and shall inure to the benefit of their heirs and legal representatives.

The provisions of this Section shall be inapplicable to any action brought by the Association against any Officer or Director otherwise indemnified hereunder.

## **ARTICLE VIII CONTRACTS, CHECKS AND DEPOSITS**

**SECTION 8.01. CONTRACTS.** Except as otherwise provided by law or these Bylaws, the Board of Directors may authorize any Cooperative officer, agent or employee to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.



**SECTION 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 or countersigned by such officer, agent or employee of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of 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 bank or banks or in such financial securities or institutions as the Board of Directors may select, not inconsistently with Mississippi Code Ann. Section 77-5-247.

## **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 Certificate of Incorporation or its Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the President and by the Secretary, and the seal shall be affixed thereto: PROVIDED, that the seal and the signatures of the President and the Secretary may be imprinted thereon by facsimile.

**SECTION 9.02. ISSUE OF MEMBERSHIP CERTIFICATES.** No membership certificate shall be issued for less than the membership fee fixed by the Board of Directors nor until such membership fee, and any required service security deposits, facilities extension deposits, service connection fees, or contributions in aid of construction have been fully paid.

**SECTION 9.03. LOST CERTIFICATE.** In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms 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 non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**SECTION 10.02. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING ELECTRIC ENERGY.** Not inconsistently with Mississippi Code Ann. 77-5-235, in the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing 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 patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account: PROVIDED, that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and 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 patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided except when an amount is deemed to be excess revenue.

Not inconsistently with Mississippi Code Ann. 77-5-235, the Cooperative's rates for energy furnished or offered by the Cooperative shall be sufficient at all times to pay all operating and maintenance expenses necessary or desirable for the prudent conduct and operation of its business and to pay the principal of and interest on such obligations as the Cooperative may have issued and/or assumed in the performance of the purpose for which it was formed. The revenues and receipts of the Cooperative shall first be devoted to such operating and maintenance expenses and to the payment of such principal and interest and thereafter to such reserves for improvement, new construction, depreciation and contingencies as the Board of Directors may from time to time prescribe. Revenues and receipts not needed for these purposes shall be considered excess revenue and shall be returned to the members by such means as the Board of Directors may decide, including through the reimbursement of membership fees, the implementation of general rate reductions, the limitation or avoidance of future rate increases, or such other means as the Board of Directors may determine.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members: PROVIDED, that insofar as gains may at the time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were patrons during the period the asset was owned by the Cooperative in proportion to the amount of business done by such patrons during that period, insofar as is practicable as determined by the Board of Directors and not inconsistently with Mississippi Code Ann. 77-5-219, before any payments are made on account of property rights of members.

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, the capital then credited to the patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made on a pro-rated basis as a percent of accumulated capital without regard to the day or fiscal year that the credit was earned: PROVIDED, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion ("power supply or other service or supply portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing power supply of any other service or supply to the Cooperative. Such Rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the Cooperative's patrons, (c) provide for appropriate notifications to patrons with respect to such portions of capital credited to their accounts, (d) preclude a general retirement of such portions of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year and (e) not inconsistently with Mississippi Code Ann. 89-12-11, unclaimed general retirement funds may be presumed abandoned and such unclaimed funds used for the benefit of the general membership of the Association.

Capital credited to the account of each patron shall not be assignable on the books of the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these Bylaws, the Board of Directors shall, at its discretion, have the power at any time upon the death of any patron, who was a natural person, if the legal representatives of his estate shall request in writing that the capital so credited but not assigned be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon a discounted basis upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon: Provided, that the financial condition of the Cooperative will not be impaired thereby. The Cooperative will retire operating margins and non-operating margins on a discounted basis. The discount rate on operating margins and non-operating margins will be set independently by the Board of Directors.

Notwithstanding any other provisions of these Bylaws, the Board of Directors shall, at its discretion, have the power at any time upon the termination of membership of any patron, who was a natural person, if the former patron or the former patron's legal representatives shall request in writing that the capital so credited but not assigned be retired prior to the time such capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon a discounted basis upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such legal representatives, shall agree upon. Provided that the requesting former patron or legal representatives shall have terminated membership with the cooperative in the preceding calendar year, that no amount is owed to the cooperative, and that the financial condition of the Cooperative will not be impaired thereby. The Cooperative will retire operating margins and non-operating margins on a discounted basis once all margins have been fully allocated to the former patron's account. The discount rate on operating margins and non-operating margins will be set independently by the Board of Directors.

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

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Certificate of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be made available to each patron of the Cooperative by posting in a conspicuous place in the Cooperative's offices or on the Cooperative's website.

**SECTION 10.03. PATRONAGE REFUNDS IN CONNECTION WITH FURNISHING OTHER SERVICES.**

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

**ARTICLE XI  
WAIVER OF NOTICE**

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

**ARTICLE XII  
DISPOSITION AND PLEDGING OF PROPERTY;  
DISTRIBUTION OF SURPLUS ASSEST ON DISSOLUTION**

**SECTION 12.01. DISPOSITION AND PLEDGING OF PROPERTY.** In the disposition and pledging of Association property the Association shall follow all the requirements of Section 77-5-237 of the Mississippi code of 1972 as Annotated by House Bill No. 1226 adopted by the Mississippi Legislature at its regular 1989 session with the provisions of said Section 77-5-237 as so amended being incorporated in full herein by reference.

**SECTION 12.02. DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION.** Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors and not inconsistently with the provisions of the third paragraph of Section 9.02 of these Bylaws, be distributed without priority among all persons who are or who have been members of the Cooperative for any period(s) during its existence, on the basis of their respective aggregate patronage during such period(s): PROVIDED, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making any distribution whatever, the Board may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more non-profit or educational organizations that are exempt from Federal income taxation.

**ARTICLE XIII  
FISCAL YEAR**

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

**ARTICLE XIV  
RULES OF ORDER**

Parliamentary procedure at all meetings of the members, of the Board of Directors, of 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 Certificate of Incorporation or Bylaws, in particular the provisions of Section 3.05 and Section 4.04.

## **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, Mississippi."

## **ARTICLE XVI AMENDMENTS**

These Bylaws may be altered, amended or repealed by the resolution of the Board of Directors at any regular or special Board meeting, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof.