

BY-LAWS  
OF  
PRENTISS COUNTY ELECTRIC POWER ASSOCIATION

ARTICLE I, MEMBERSHIP

**SECTION 1. Qualifications and Obligations** Any person, firm, corporation or body politic may become a member in the Cooperative by:

- (a) Signing an application for membership therein;
- (b) Paying the membership fee hereinafter specified;
- (c) Agreeing to purchase from the Cooperative electric energy as herein-after specified; and
- (d) Agreeing to comply with and be bound by the Mississippi Electric Power Association Act of 1936, as amended, by the Certificate on Incorporation of the Cooperative, and these By-laws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors,

provided, however, that no person, firm corporation or body politic shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members.

**SECTION 2. Membership Fee.** The Membership Fee shall be in such amount as the Board of Directors may from time to time determine. Upon the payment of the membership fee and applicable security deposit, line extension deposit or aid to construction costs a member shall be eligible for one service connection.

**SECTION 3. Membership Certificates.** Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provision as shall be determined by the Board. Such certificate shall be signed by the President and by the Secretary, or designated employee, of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed by the Board, nor until such membership fee has been fully paid for. In case a certificate is lost, destroyed or mutilated a new certificate may be issued there for upon such uniform terms and indemnity to the Cooperative as the Board may pre-scribe.

**SECTION 4. Joint Membership.** A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of this Article, may be accepted for such membership. The term "member" as used in these By-laws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows: The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;

- (a) The vote of either separately or both jointly shall constitute one joint vote;
- (b) A waiver of notice signed by either or both shall constitute a joint waiver;
- (c) Notice to either shall constitute notice to both;
- (d) Expulsion of either shall terminate the joint membership;
- (e) Withdrawal of either shall terminate the joint membership;
- (f) Either but not both may be elected or appointed as an officer or board member,

provided that both meet the qualifications for such office.

(g) A proxy may be executed and/or revoked by either a husband or wife.

**SECTION 5. Conversion of Membership.** (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with Section 1(d) of this Article. Such transfer shall be made and recorded on the books of the Cooperative and such joint membership noted on the original certificate representing the membership so transferred.

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

**SECTION 6. Termination of Memberships.** (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all the members of the Board, expel any member who fails to comply with any of the provisions of the Mississippi Electric Power Association Act of 1936 as amended or of the Certificate of Incorporation of the Cooperative or By-Laws or rules or regulations adopted by the Board from time to time, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of two (2) months after service is available to him, has not purchased electric energy from the Cooperative, or of a member who has ceased to purchase energy from the Cooperative, may be cancelled by resolution of the Board. (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

**SECTION 7. Service to Non-Members.** The Cooperative shall render service to its members only; provided, however, that should the Cooperative acquire any electric facilities dedicated or devoted to the public use it may, for the purpose of continuing service and avoiding hardship and to an extent which together with all other governmental agencies and political sub-divisions served by the Cooperative on a non-member basis shall not exceed forty-nine percent (49%) of the total number of persons served by the Cooperative, continue to serve the persons served directly from such facilities at the time of such acquisition without requiring that such persons become members; and provided, further that such non-members shall have the right to become members upon non-discriminatory terms.

**SECTION 8. Purchase of Electric Energy.** Each member shall, as soon as electric energy shall be available, purchase from the Cooperative all electric energy purchased for use on the premises specified in his application for membership, and shall pay therefor at rates which shall from time to time be fixed by the Board. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be inter-connected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. It is expressly understood that amount paid for electric energy in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these By-laws. Each member shall pay to the Cooperative such minimum amount regardless of the amount of electric energy consumed, as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

**SECTION 9. Security Deposits.** When the membership fee or special deposits as may be required with respect to service to members or non-members does not, in the judgment of the General Manager of the Association, constitute sufficient security for the payment of bills for electric energy, the General Manager may require such customer to post a deposit with the Cooperative in an amount deemed sufficient to secure payment.

**SECTION 10. Contributions to Capital.** All amounts received and receivable from the furnishing of electric energy to members and non-members in excess of operating cost and expenses properly chargeable against the furnishing of electric energy are, at the moment of receipt by the Cooperative, received with the understanding that such amounts are furnished by the members and non-members as capital. Capital contributed by members and non-members

shall be used only for capital purposes including, without limitation, new electric system construction, the retirement of electric system indebtedness at or prior to maturity, and working capital adequate for all purposes including facilitation of general rate reductions.

The Cooperative shall maintain such books and records as will enable it at any time to compute, upon reasonable notice, the amount of capital contributed during any given period of each of its members and non-members.

**SECTION 11. Non-liability for Debts of the Cooperative.** The private property of the members of the Cooperative shall be exempt from execution for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

**SECTION 12. Wiring.** Service to any persons may, in the discretion of the Board of Directors, be conditioned upon such person furnishing to the Cooperative the certificate of a reputable inspector stating that the wiring of the premises served or to be served complies with all local regulations and is in accordance with the latest rules and regulations of the National Electrical Code of the National Board of Fire Underwriters for the installing of electric wire, apparatus, and appliances, and is in accordance with the wiring specifications adopted by the Board of Directors of the Cooperative. The requirement or waiver of such certificate, however, or the supplying of service on the basis thereof, shall not subject the Cooperative to liability to any member or other person for any damages or injuries sustained by reason of defects existing in the wiring of such premises.

**SECTION 13. Easements for Cooperative's Lines.** Members shall, without charge to the Cooperative, grant to it easements over land owned by them for the transmission and distribution lines of the Cooperative, as well as the right to grant joint use of the easement for cable TV, telephone, fiberoptics, communications equipment and lines, and any such similar activity. The Board of Directors may require from applicants for membership the return of any payments previously made to such applicants for easements. Upon the granting of said easements, the Cooperative shall have the right to maintain the same in such condition as in its judgment its needs may require, including, but without limitation, the right to cut trees, trim trees, apply herbicides for vegetation management, and remove other obstacles which may endanger the lines of the Cooperative or the public.

**SECTION 14. Protection of Members Privacy** Member's names, addresses and other personal information is protected by state and federal law.

## ARTICLE II, MEETING OF MEMBERS

**SECTION 1. Annual Meeting.** The annual meeting of members shall be held on the third Saturday of August of each year, or at such other time, and at any place within the service area of the Cooperative, as shall be designated by the Board of Directors and specified in the notice of meeting, for the purpose of passing upon reports covering the previous fiscal year and transacting such other business as may come before the meeting, PROVIDED, that in the event the Board sets a different date for the meeting, said date shall not be more than thirty (30) days prior or subsequent to the day otherwise established in this Section. The President of the Board, or his nominee, shall preside at and conduct the meeting. If, at any annual meeting or adjournment thereof, the President, or his nominee, determines in his judgment that it is necessary in the best interest of the Cooperative and its members to adjourn or reset the meeting to another time, date and place, he shall have the power, discretion and authority so to act. **Failure to hold the annual meeting shall not work a forfeiture or dissolution of the Cooperative, nor shall it affect the election of Directors to be held after the annual meeting date by mail out ballot.**

**SECTION 2. Special Meetings.** Special meetings of the members may be called by resolution of the Board of Directors, by any seven (7) directors, by the President, or upon written petition signed by at least twenty (20%) of all members. Said petition shall be on a form satisfactory to the Cooperative. Each person signing such petition shall affix the date of the signature, show the address and account number of the person signing the petition. In no event shall a special meeting be called unless the petitions are completed and presented to the Cooperative within ninety (90) days from and after the date of the first signature on said petition. When special meetings are called in such manner, it shall be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Such a meeting shall be held at such place within the service area of the Cooperative and on such date, not sooner than sixty (60) days after the call of such meeting is made by said petition, and beginning at such hour as shall be designated by the Board of Directors.

**SECTION 3. Notice of Member's Meetings.** Written or printed notice stating the place, day and hour of any member meeting and, in the case a special meeting or an annual meeting at which business requiring special notices to be transacted, the purpose or purposes for

which the special meeting is called, shall be delivered to each member not less than thirty (30) days before the date of the meeting, by any reasonable means, by or at the direction of the Secretary. Reasonable means of providing such notice shall be the United States mail, personal delivery, electronic mail or messaging and/or by advertising in the local newspapers. 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. In case of a joint membership, notice given to either husband or wife shall be deemed as notice to both joint members. The failure of any member to receive notice of an annual or special meeting of the members, shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person, or by proxy, of a member at any annual or special 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. Any member attending any annual or special 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 4. Quorum.** In order to constitute a quorum for the transaction of business at each meeting of members of the Cooperative, there must be present either in person or by proxy, or both, at least ten percent (10%) of the Cooperative's members, except that, if less than a quorum is present at any meeting, the Board of Directors may adjourn the meeting to another time and date not less than sixty (60) days later and to any place within the service area of the Cooperative as shall be designated by the Board of Directors. In case of a joint membership, the presence at the meeting, either in person or by proxy of either husband or wife, or both, shall be regarded as the presence of one member. The President, or his nominee, shall ascertain whether or not a quorum is present, and such determination shall be conclusive in the absence of fraud or bad faith. The determination of the Board of Directors to adjourn or recess the meeting, shall be conclusive in the absence of fraud or bad faith, and no further valid or binding action may be taken unless and until a quorum is present. In the event any meeting is adjourned to a later date, the Secretary shall notify any absent members of the time, date, and place of such adjourned meeting by delivering notice thereof as provided in Article II, SECTION 3 herein. **Failure to have a quorum at the appointed time for the annual members meeting shall not affect the election of directors to be held after the meeting by mail out ballot from those candidates qualifying by written petition.**

**SECTION 5. Voting.** Each member shall be entitled to only one vote, regardless of the number of memberships the member may have in his or her name, upon each matter submitted to a vote at a meeting of the members at which a quorum is present and only one ballot when voting for Board Member candidates. PROVIDED, that no member shall be entitled to vote unless said member shall have been a member of the Cooperative for at least thirty (30) days prior to the set date of the Annual Member's meeting. At all meetings of the members at which a quorum is present, all questions submitted to the members for determination and vote shall be decided by a vote of the majority of the members voting thereon by proxy, or in person, except as otherwise provided by law, the Certificate of Incorporation, or these By-laws. If a husband and wife hold a joint membership, they shall jointly be entitled to only one vote upon each matter submitted to a vote of the members. **A remaining spouse may vote for a deceased member.**

**SECTION 6. Proxies.** For the convenience of the members, and all meetings of the member's, a member may be considered present and may vote by proxy executed in writing by the member upon the form specified and provided to the member by the Cooperative, and no other designation or form shall be recognized or accepted. In the event a member executes two or more proxies for the same meeting or for any adjournment thereof, the proxy last filed shall revoke all others. If such proxies are filed on the same date and are held by different persons, none of them will be valid or recognized. Each proxy must be in writing, show the member's account number, be signed by the member, must name another member or the Board of Directors of the Cooperative to vote the proxy, and must be filed with the Secretary of the Cooperative in person, ~~or~~ by United States mail or electronic mail addressed to the Secretary of the Cooperative, at the principle office of the Cooperative in Booneville, Mississippi. No proxy shall be voted by anyone other than a member of the Cooperative or the Board of Directors. No member shall vote as proxy for more than Five (5) members at any meeting of the members. Each proxy must be filed with the Secretary of the Cooperative at least eight days (that is 192 hours) prior to the scheduled starting time of the meeting at which it is to be voted. The date of the proxies receipt in the Cooperative's office shall be its filing date. The proxy must designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one so designated, or any adjournment of such meeting. No proxy shall be valid after ninety (90) days from the date of its execution. If no member is designated on any proxy to vote the same or if the Board of Directors of the Cooperative is designated to vote the

proxy, the proxy shall be voted by the Board of Directors, or its nominee. The presence of a member at a meeting of members shall not revoke a proxy theretofore executed by him, and such member shall not be entitled to vote at such meeting. A proxy may be revoked only, by the person who issued the proxy. The revocation must be in writing, signed by the member, dated, stating the account number of the member, and must be filed with the Secretary of the Cooperative at least eight days (that is 192 hours) prior to the scheduled starting time of the meeting at which the revoked proxy was to be voted. In the case of a joint membership, a proxy may be executed and may be revoked by either husband or wife.

**SECTION 7. Registration Committee.** The President of the Cooperative at his/her sole discretion of the need, may, appoint a committee, consisting of an uneven number of members, not less than three (3) nor more than seven (7), who are not existing Cooperative employees, agents, officers, directors or known candidates for director. It shall be the responsibility of the committee to establish or approve the manner of conducting member registration and any voting, to pass upon all questions that may arise with respect to the registration of members in person or by proxy, to validate and count all proxies, and other votes cast, to rule upon the effect of any proxy, or other vote irregularity or indecisively marked or cast, to rule upon all other questions that may arise relative to member voting. In the exercise of its responsibility, the committee shall have available to it the advice of counsel provided by the Cooperative. 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 and conclusive.

**SECTION 8. Order of Business.** The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows: Report on the existence of a quorum.  
If no quorum is present: 1. Dismiss those in attendance.

If a quorum is present:

1. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
2. Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon.
3. Presentation and consideration of reports of officers, trustees and committees.
4. Report the annual audit of the Cooperative accounts.
5. Unfinished business.
6. New business.
7. Adjournment.

### ARTICLE III, DIRECTORS

**SECTION 1. General Powers.** The business and affairs of the Cooperative shall be managed by a board of thirteen (13) directors which shall exercise all of the powers of the Cooperative except such as are by law or by the Certificate of Incorporation of the Cooperative or by these By-laws conferred upon or reserved to members.

**SECTION 2. Tenure of Office.** The persons presently serving as board members shall compose the board until their successors shall have been elected and shall have qualified. Members of the board shall be elected by secret mail ballot following each annual meeting of the members to serve for a three year term. The terms of office shall rotate as provided for in Sec. 77-5-221 of the 1972 Mississippi Code and will begin on the last Thursday in September after the election shall have been held or until their successors shall have been elected and shall have qualified.

**SECTION 3. Areas of Representation.** Two directors shall be elected from each of five (5) areas served by the distribution lines owned by the Cooperative and described as follows: Area Number One (1); that area served by the Cooperative located in Range Seven (7) East and North of the South boundary of Township Five (5) South. Area Number Two (2); that area served by the Cooperative located North of the South boundary of Township Five (5) South and West of the West boundary of Range Seven (7) East. Area Number Three (3); that area served by the Cooperative South of the South boundary of Township Five (5) South and West of the West boundary of Range Eight (8) East. Area Number Four (4); that area served by the Cooperative South of the South boundary of Township Five (5) South and East of the West boundary of Range Eight (8) East. Area Number Five (5); that area served by the Cooperative located North of the South boundary of Township Five (5) South and East of the West boundary of Range Eight (8) East. Each director must be a resident of the area he represents. Two members who reside within the city limits of Booneville, Mississippi and one member who resides within the city limits of Baldwyn, Mississippi shall be elected to membership on the Board of Directors. All directors must be members in good standing of the Cooperative and meet those qualifications as stated in SECTION 4.

**SECTION 4. Qualifications.** In order to be eligible to become or remain a member of the Board of directors of the Cooperative, a person:

- (1) Must be a member in good standing and a bona fide resident of the area represented; as described in Section 3 of this Article.
- (2) Must not be employed by or in any way financially interested in a competing - enterprise, a business selling electric energy or supplies to the Cooperative, or a Company having a contract with the Cooperative other than a contract for power.
- (3) Must not be a convicted felon or convicted of a crime of moral turpitude.
- (4) Must not hold a full time elective public office in connection with which a regular salary is paid.
- (5) Must not have been employed by the cooperative in the last 3 years.
- (6) Must not have sued the cooperative during the last 3 years, except this not apply to candidates that qualified for election in 2013.
- (7) Must be an individual with the capacity to enter into legally binding contracts.
- (8) Must comply with any other reasonable qualifications determined by the Board.

In the event a membership is held jointly by husband and wife, either one, but not both, may be elected a director; PROVIDED, that neither one shall be eligible to become or remain a director unless both shall meet the qualifications hereinabove set forth. Upon determination that a board member is holding the office of director in violation of any of the foregoing provisions, the board shall remove such director from office provided, however, nothing contained in this section shall in any manner whatsoever effect the validity of any action taken at any meeting of the Board.

**SECTION 5. Nomination.** Any member of the Cooperative who meets the qualifications set forth in these bylaws may qualify by petition to become a candidate for Director. This petition shall be submitted on a form designated and provided by the Cooperative which shall contain a request signed by the member stating his desire to become a candidate for Director of the Prentiss County Electric Power Association. The petition shall indicate the Post for which the member desires to be a candidate. This petition must contain the endorsement of not less than twenty-five (25) members in good standing of the Cooperative and be filed with the Secretary of the Cooperative not less than eight days (that is 192 hours) before the annual meeting of the members. Individual petitions must be filed by each member desiring to qualify as a candidate for Director.

The names of all candidates for Director qualifying as provided in this section shall appear on the official ballot furnished by the Cooperative and mailed to the members at the mailing address of each member according to the records maintained in the office of the Association.

**SECTION 6. Election by Mail Out Ballot or Electronic Ballot.** Each member will be mailed an official ballot with two envelopes in which to return the ballot, after voting, to the Certified Public Accountant and/or Electronic Balloting Company employed by the Cooperative. The inside envelope will be unmarked. The outside envelope will be postage paid and pre-addressed to the C.P.A. or Electronic Balloting Company. The outside envelope must be signed by the voting member along with the printed name of the member and returned by a specified date. The C.P.A. firm and/or Electronic Balloting Company will count the ballots and make a written report to the Board of Directors as to the candidates elected. The candidate with the highest vote in each area will be elected. **The ballot of a deceased member may be voted by their remaining spouse.** Each member will be entitled to only one ballot regardless of the number of memberships purchased or service connections the member may have.

In the event a member misplaces, destroys or spoils his ballot, said member shall be entitled to a replacement ballot upon either a written or in person request by the member to the principle office of the Association in Booneville, Mississippi.

In any year that only one candidate qualifies in each area up for election the remaining Board members may vote to elect those candidates that qualified and save the cost of the mail out balloting for that year.

**SECTION 7. Removal of Directors and Officers.** Any member may bring charges of malfeasance, misconduct in office, disability, or other good cause against an officer or director by filing them in writing with the Secretary, together with a petition signed by twenty percent (20%) of the members, requesting the removal of the officer or director in question. Said petition shall detail the facts constituting each charge and shall not be a general charge. Each page of the petition shall, in the forepart thereof, contain a verbatim statement of such charge or charges in order that the signators on each page will be appraised of the seriousness and nature of the charges to which they have affixed their signature. Each person signing such petition shall affix the date of the signature, sign in the same name as he is billed by the Cooperative and state the signator's address the same as it appears on such billings. In no event shall said petition be heard unless the

petitions are completed and filed with the Cooperative within ninety (90) days from and after the date of the first signature on said petition. The officer or director shall be informed in writing of the charge or charges after they have been validly filed and shall be given fifteen (15) days to answer the charge or charges in writing; after which, the Board of Directors shall mail to each member of the Cooperative a copy of the charge or charges verbatim, the name of the officer or director against whom the charge or charges have been made, the members filing the charges, the answer to the charge or charges verbatim, an official mail out ballot with voting instructions, and return postage paid envelope pre-addressed to a Certified Public Accountant. The C.P.A. firm shall officially count the ballots and inform the Board of Directors of the results in writing. Each of the opposing sides may have one (1) witness to watch the count of the ballots. In the event any director is removed from office by said process, the Board of Directors shall convene by special meeting within ten (10) days of the date of said removal and shall elect a successor director from the same director area as was the director removed, to serve the unexpired portion of the removed director's term up to and until the next annual director election. At the next annual director election the balance of the unexpired portion of the removed director's term, shall be filled by the regular nomination and election process set forth in this article for a regular election.

**SECTION 8. Vacancies.** Subject to the provisions of these By-laws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining directors and any director thus elected shall serve the unexpired portion of the term for which his predecessor was elected or until his successor shall have been elected and shall have qualified.

**SECTION 9. Indemnification.** Each director, officer, and supervisory employee (past, present and future) of Prentiss County Electric Power Association shall be jointly and severally indemnified by the Association against any and all claims and liabilities to which he has or shall become subject by reason of serving or having served in such capacity or by reason of any action alleged to have been taken, omitted, or neglected by him as such director, officer or supervisory employee, and the Association shall reimburse each such person for all legal expenses reasonably incurred by him in connection with any such claim or liability, provided, however, that no person 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, but in no case shall indemnification be less than to the full extent permitted by law. The Association shall have the power to purchase insurance covering such liability and expenses.

**SECTION 10. Compensation.** Board members shall not receive any compensation for their services as Directors but shall be entitled to reimbursement for expenses incurred by them in the performance of their duties. Directors may, by resolution of the Board, be granted a reasonable per diem allowance by the Board in lieu of detailed accounting for such expenses.

**SECTION 11. Policies, Rules and Regulations.** The Board of Directors shall have the power to make and adopt such Policies, Rules and Regulations, not inconsistent with law, the Certificate of Incorporation of the Cooperative or these By-Laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

**SECTION 12. Accounting System and Reports.** The accounts of the Cooperative shall be established and maintained in such form, subject to any contractual obligations of the Cooperative, as the Board of Directors may prescribe. The Board of Directors shall also, within a reasonable time after the close of each fiscal year, cause to be made by a Certified Public Accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the following annual meeting.

#### ARTICLE IV, MEETINGS OF DIRECTORS

**SECTION 1. Regular Meetings.** A regular meeting of the Board of Directors may be held without notice, immediately after, and at the same place as, the annual meeting of the members, as determined by the President or a majority of the directors. A regular meeting of the board shall also be held monthly at such time and place within the area served by the Cooperative as designated by the board; provided, however, by resolution the board may change the date, time, or location of any regular board meeting. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof. Any member of the cooperative may address the board, unless in executive session, at any regular meeting regarding suggestions for better service, grievances or any other matter affecting the cooperative, provided that the member has at least fifteen (15) days in

advance of the meeting executed a written request, in a form and manner prescribed by the cooperative. The President may limit the format and length of any presentation. The Board may defer any presentation by a member to the next scheduled Board meeting due to the time restraints. Nonmembers of the cooperative may not address the Board unless specifically invited by the Board.

**SECTION 2. Special Meetings.** Special meetings of the Board of Directors may be called by the President or a majority of the directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place for the holding of any special meeting of the Board of Directors called by them.

**SECTION 3. Notice.** Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given at least three (3) days previous thereto, by written notice, delivered personally, electronic noticed or mailed, to each director at his last known address or contact number. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon, prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except in case a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened. By unanimous consent of the directors, special meetings of the Board may be held without notice at any time and at any place.

**SECTION 4. Quorum.** A majority of the board shall constitute a quorum, provided, that if less than such majority of the board is present at said meeting, a majority of the board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent board members of the time and place of such adjourned meeting. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the board, except as otherwise provided in these by-laws.

**SECTION 5. Manner of Acting.** The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

## ARTICLE V, OFFICERS

**SECTION 1. Number.** The officers of the Cooperative shall be a President, Vice-President, Secretary and Treasurer. The offices of President and Vice-President shall be elected from the Board of Directors. The offices of Secretary and of Treasurer may be held by the same person.

**SECTION 2. Election and Term of Office.** The officers shall be elected, by ballot, annually by the Board of Directors at the first meeting of the Board of Directors held after each annual election of directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual election of directors or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these By-laws with respect to the removal of officers.

**SECTION 3. Removal.** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Cooperative will be served thereby.

**SECTION 4. Vacancies.** A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

**SECTION 5. President.** The President:

- (a) shall be the principal executive officer of the Cooperative and shall preside at all meeting of the members and of the Board of Directors.
- (b) shall sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors or the membership, 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 By-laws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; provided, however, that the signing of certificates of membership may be delegated to an employee of the Cooperative; and,



- (c) in general shall 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. 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 7. Secretary.** The Secretary shall be responsible for:

- (a) keeping the minutes of the members and the Board of Directors in one or more books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these By-laws, or as required by law;
- (d) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative 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 By-laws;
- (e) keeping a register of the names and post office address of all members, which shall be furnished to the Secretary by the members;
- (f) signing with the President, certificates of membership, the issue of which shall have been authorized by the Board or the members; provided, however, that the signing of certificates of membership may be delegated to an employee of the Cooperative; and,
- (g) keeping on file at all times a complete copy of the Articles of Incorporation and By-laws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the By-laws and of all amendments to any member upon request; and
- (h) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

**SECTION 8. Treasurer.** The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these By-laws; and
- (c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board.

**SECTION 9. Manager.** The Board of Directors may appoint a manager who shall be a graduate electrical engineer and who may be, but who shall not be required to be, a member of the Cooperative. The Manager shall have general over-sight, care of the property and business of the Cooperative and shall perform such additional duties and have such authority and management as the Board of Directors may from time to time require of or vest in him; provided, however, that the Manager shall always be subject to the direction and management of the Board of Directors through action taken at regular or special meetings of such Board.

**SECTION 10. Bonds of Officers.** The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

**SECTION 11. Compensation.** The powers, duties and compensation of officers, agents and employees shall be fixed by the Board subject to the provisions of these By-Laws with respect to compensation for a board member and close relatives of a board member.

**SECTION 12. Reports.** The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

#### ARTICLE VI, FINANCIAL TRANSACTIONS

**SECTION 1. Contracts.** Except as otherwise provided in these By-laws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instruments in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

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

**SECTION 3. Deposits.** All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

**SECTION 4. Fiscal Year.** The fiscal year of the Cooperative shall begin on the first day of July of each year and end on the thirtieth day of June of the following year.

#### ARTICLE VII, DISSOLUTION

In the event of dissolution of the Cooperative, its affairs shall be liquidated in the manner provided by law. The directors or officers in charge of such liquidation shall use the proceeds derived from liquidation to satisfy and discharge all outstanding liabilities and obligations of the Cooperative. To the extent permitted by law, any remaining proceeds of liquidation shall be disposed of as follows:

(a) The aggregate amount of capital contributed by members of the Cooperative during the period of its existence shall be determined and such remaining proceeds up to such aggregate amount shall be returned to such members in proportion to the respective amounts of capital contributed by them.

(b) The remaining liquidation proceeds, if any, shall be distributed ratably among the members holding membership as of the time it ceases to conduct it's business of supplying electric power and energy.

#### ARTICLE VIII, DISPOSITION OF PROPERTY

The Board of Directors of the Corporation, without authorization by the members thereof, shall have full power and authority: (a) upon the affirmative vote of two-thirds of the members constituting the full Board to authorize the execution and delivery of a mortgage or mortgages or a deed or deed of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Corporation, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors upon the affirmative vote of two-thirds of the members constituting the full Board shall determine, to secure any indebtedness of the Corporation to the United States of America or any instrumentality or agency thereof, or to a national financing institution, organized on a cooperative plan for the purpose of financing its members' programs, projects and undertakings, in which the Corporation holds membership, all as more particularly provided by section 77-5-237 of the Mississippi Code of 1972, as amended; and (b) upon a majority vote of the directors present and constituting a quorum to sell, mortgage, lease or otherwise dispose of or encumber property which in the judgment of the Board of Directors neither is nor will be necessary or useful in operating and maintaining the the Association's system and facilities; provided, however, that all sales of such property shall not in any one year exceed in value ten percent (10%) of the value of all of the property of the Association. The Cooperative may sell, lease, exchange or otherwise dispose of all, or substantially all, of its property, only as prescribed by state law section 77-5-237 and only after the affirmative vote of three fifths (3/5) of all members voting in

person or by proxy. The tabulation of the vote shall be attested to by an independent accounting firm engaged to perform that accounting function.

#### ARTICLE IX, WAIVER OF NOTICE

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

#### ARTICLE X, MEMBERSHIP IN OTHER ORGANIZATIONS

The Cooperative may become a member of any and all other organizations as the Board of Directors may determine shall be to the best interest of the Cooperative, and the directors shall have full power and authority to authorize the Cooperative to purchase stock in or to become, a member of any corporation or cooperative organized on a non-profit basis if one of its purposes is to en-gage in rural electrification or the promotion of the sale of electric energy.

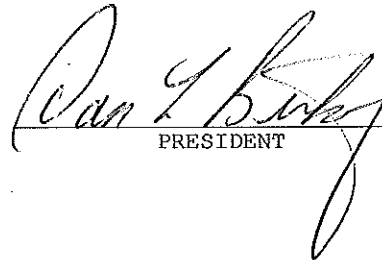
#### ARTICLE XI, SEAL

The corporate seal of the Cooperative shall contain the words "Prentiss County Electric Power Association" or "Prentiss County Electric Cooperative", and such words as shall show the corporate nature of the Cooperative.

#### ARTICLE XII, AMENDMENTS

These By-laws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3rds) of all the directors at any regular or special meeting of the Board of Directors, provided that a notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

There being no further business to come before the Board, the meeting was adjourned in due course on this October 31, 2013.

  
\_\_\_\_\_  
PRESIDENT

ATTEST:

  
\_\_\_\_\_  
SECRETARY