

BYLAWS
FOR
TISHOMINGO COUNTY ELECTRIC POWER ASSOCIATION

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ARTICLE I

MEMBERS

Section 1.01. Qualifications, Applications and Obligations.

(a) Any person, firm, corporation, or body politic may become a member of Tishomingo County Electric Power Association, herein called "Association" by:

- (1) making a written application for membership in such form and containing such information as the Board of Directors may specify from time to time; and
- (2) paying the membership fee hereinafter specified; and
- (3) agreeing to purchase from the Association electric energy as hereinafter specified; and
- (4) agreeing to comply with and be bound by the Certificate of Incorporation of the Association and by these Bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors.

(b) No person, firm, corporation, or body politic may vote more than one (1) membership in the Association except as provided for in Section 3.05 and Section 3.07.

(c) 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 therefore by the Association. The membership application shall be accompanied by any service security deposit, service connection deposit or fee, facilities extension deposit, or contribution in

aid of construction that may be required by the Association. Any former member of the Association may, by the sole act of paying a new membership fee and any outstanding account balance with interest (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 Association), 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.

(d) 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 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 Association) shall entitle the member to one service connection. A service connection deposit or fee, in such amount as shall be prescribed by the Association (together with a service security deposit, a facilities extension deposit or contribution in aid of construction, if required by the Association) shall be paid by the member for each additional service connection requested by him if so required by the Association.

Section 1.02. Joint Membership. Husband and wife will be accepted into the membership as joint members, unless otherwise specified in the application for membership. The husband or wife may sign such application for the other if receiving service at the same connection. If one of them is already a member, they may if so desired convert such membership into a joint one upon notice to the Association. 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 test; 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 presence at a meeting of either or both shall constitute the presence of one member and a joint waiver of notice of the meeting;
- (b) the vote of either or both shall constitute, respectively, one joint vote;
- (c) notice to, or waiver of notice signed by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- (d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership except as provided by Section 2.06;
- (e) either, but not both concurrently, shall be eligible to service as a director of the Association, but only if both meet the qualification required therefor.

Section 1.03. Purchase of Electric Energy. Each member shall, as soon as electric energy is made available, purchase from the Association all electric energy used on the premises specified in the member’s application for membership and shall pay therefor monthly at the applicable rate schedule approved by TVA.

The Association cannot and therefore does not guarantee an uninterrupted and continuous supply of electric energy. Additionally, the Board of Directors may limit the amount of electric energy the Association shall be required to furnish to any one member.

Each member applicant shall assume liability and make payment for the following:

- (a) The account for which electric power service is rendered by the Association, at the location for which application for service is made.
- (b) Subject to the rules and regulations of the Public Service Commission, any delinquent account or amount owed to the Association where the member or applicant has resided at the location receiving service but only for such delinquency or account which occurred while the member or applicant was a resident, or for service to another person or entity using the membership of the member.

Each applicant will furnish sufficient identification to verify their true identity and any previous addresses required by the Association.

Section 1.04. Power Production by Member. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which shall be interconnected with Association facilities shall be subject to appropriate regulations as shall be fixed from time to time by the Association.

Notice of the presence or intent to construct such co-generation facilities upon the premises shall be given to the Association. Compliance with the National Electric Safety Code is a prerequisite before any interconnection with the Association facilities may be allowed.

Section 1.05. Wiring of Premises; Responsibility Therefor; Responsibility for Meter Tampering or Bypassing and for Damage to Association Properties; Extent of Association 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, the National Electric Safety Code, the Standards Guide of Tishomingo County Electric Power Association, any applicable state code or local government ordinances, and of the Association, it being understood and agreed that the connection by the Association, to the members premises shall not in any way or manner constitute the Association'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 Association 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 apparatuses connected thereto or used thereon. Each member shall make available to the Association a suitable site, as determined by the Association, whereon to place the Association's physical facilities for the furnishing and metering of electric service and shall permit the Association's authorized employees, agents, and independent contractors to have access thereto for meter reading and for inspection, maintenance, replacement, relocations or repair of such facilities at all reasonable times. As part of the consideration for such service, each member shall be the Association'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 doing so. Each member shall also provide such protective devices to their premises, apparatuses or meter base as the Association shall from time to time require in order to protect the Association'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 Association and its employees, agents and independent contractors against death, injury, loss of damage resulting therefrom, including but not limited to the Association'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 Association shall, however, in accordance with its applicable service rules and regulations and in accordance with Mississippi state law limitation for billing errors (§ 77-5-259), indemnify the member for any overcharges for service that may result from a malfunctioning of its metering equipment or any error occurring in the Association's billing procedures. In no event shall the responsibility of the Association extend beyond the point of delivery.

Section 1.06. Member to Grant Easements. Each member of the Association shall, without charge to the Association, grant to the Association (a) easements for the construction, operation and maintenance of poles, lines, fiber, and other materials and equipment of the Association ("Association's Facilities) over, under and through land owned or controlled by the member, (b) the right to use and/or allow others to use the easements and Association's Facilities thereon for the provision of broadband services, and (c) the right to access and duly authorize third parties to access the easements to maintain the easements and the lines and other equipment thereon in such condition as may be necessary or desirable, including, without limitation, the right to cut trees, trim trees, apply herbicides and/or chemicals for vegetation management, and remove or trim other

obstacles, including trees, on or adjacent to the easements which may endanger the lines or other equipment on the easements or the public. The granting by a member of such easements and rights to the Association shall be effective upon the member's admission to membership in the Association, and the granting of such easements and rights shall be effective and enforceable even in the absence of a separate written easement agreement executed by the member. The member shall, nevertheless, execute a separate written easement agreement for recording purposes if requested by the Association to do so.

Section 1.07. Non-Liability for Debts of the Association. The private property of the members of the Association shall be exempt from execution for the debts of the Association and no member shall be individually liable or responsible for any debts or liabilities of the Association.

ARTICLE II

MEMBERSHIP SUSPENSION AND TERMINATION

Section 2.01. Suspension; Reinstatement. Upon the failure, after the expiration of the initial time limit prescribed in a specific written notice to a member to pay any amounts due the Association, a person's membership shall automatically be suspended; and such person shall not during such suspension be entitled to receive electric service from the Association or to cast a vote at any meeting of the members. For any other non-compliance with membership obligations, the Board of Directors may suspend such member five (5) days after notice of such non-compliance is given. Payment of all amounts due the Association, including any additional charges required for service reinstatement and/or cessation of any other non-compliance with his membership obligations within a 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 Association and to vote at the meeting 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, the member may without further notice, but only after due hearing if such is requested by the member, be expelled by resolution of the Board of Directors at any subsequently held regular or special meeting of the Board of Directors. Any person so expelled may, by delivering written notice to that effect to the Association 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 the latter event such person's membership shall be reinstated retroactively to the date of expulsion. After any finally effective expulsion of a member, such person may not again become a member except upon new application therefore duly approved by the Board of Directors. 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. Withdrawal of Membership. Any member may withdraw from membership upon payment in full of all debts and liabilities of such member to the Association and upon compliance with such terms and conditions as the Board of Directors may prescribe, thus terminating membership and service.

Section 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in Remaining or New Partners. Except as provided in Section 2.06, the death of an individual human member shall automatically terminate membership. One not a joint member but who continues to reside at the location receiving service may succeed to the membership upon application therefore subject to the provisions of Section 1.01 and upon proper assignment or proof of legal entitlement. 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 different partners; PROVIDED FURTHER, that neither a withdrawing partner nor its estate shall be released from any debts then due the Association.

Section 2.05. Effect of Termination. Upon the termination in any manner of a person's membership, or its estate, as the case may be, said member shall be entitled to a refund of the membership fee (and to his service security deposit, if any, theretofore paid to the Association), less any amount due the Association; but neither the member nor its estate, as the case may be, shall be released from any debts or other obligations then remaining due the Association. 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

membership obligations as to entitle him to purchase from any other source any central station's electric power and energy for use at the premises to which such service has theretofore been furnished by the Association 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 debts due the Association. 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 to directly occupy or own 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 Association.

Section 2.07. Discovery of Service to Non-Member. Upon discovery that the Association has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person qualifies for membership as described in Section 1.01 (a); PROVIDED, that if the Association acquires facilities which are already providing electric services to patrons not members of the Association, the Association may continue furnishing such preexisting service without requiring such patrons to become members if to do otherwise would create hardship.

ARTICLE III

MEETINGS OF MEMBERS

Section 3.01. Annual Meeting. For the purpose of electing 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 first Saturday following the first Monday of the month of August each year, at such place in the service area of the Association as the Board of Directors shall designate from year to year; PROVIDED, that, for cause sufficient, the Board of Directors may fix a different date for such annual meeting not more than thirty (30) days prior or subsequent to the date 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 Association.

It shall be the responsibility of the Board of Directors to make adequate plans and preparation for the annual meeting, and to encourage attendance by the membership at these meetings.

Section 3.02. Special Meetings. Special meetings of the members may be called by at least a majority of directors or upon written request signed by at least five percent (5%) 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. Special meetings of the members may be held at any place within the service area of the Association, in the State of Mississippi, specified in the notice of the special meeting.

Section 3.03. Notice of Member's Meetings. Written or printed notice stating the place, day and hour of the meeting and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered at least ninety (90) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the directors or members calling the meeting, to each member. If directors are to be elected at such meeting, the notice of member's meeting shall include a statement of the board members to be elected as provided in Section 4.04. Unless contained with such notice, no matter may be acted upon at that meeting which requires the affirmative votes of at least a majority of the members. If mailed such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member as it appears on the records of the Association, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at such meeting.

Section 3.04. Quorum. Five percent (5%) of the members shall constitute a quorum at a meeting of members. If less than a quorum is present at any meeting of members, the officer of Association who is presiding at the meeting may without a motion declare the meeting adjourned and closed or he may hold the meeting open for not longer than thirty (30) minutes to see if a quorum is present within that time; and the meeting shall automatically be adjourned and closed if a quorum shall not be present at the end of said thirty (30) minute period. The members present at a meeting at which a quorum is not present shall not have the power to take any kind of action, including, but not by way of limitations, adjourning said meeting to another time or place.

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 only. At a meeting of the members where directors are to be elected, all members present in person may cast one vote for each director to be elected. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Association, prior to or upon registration at each member meeting, of satisfactory evidence entitling the person presenting same to vote. At all meetings of the members, and elections of directors, all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Association's Certificate of Incorporation or these Bylaws. Members may not cumulate their votes.

Section 3.06. Proxies. Proxies are expressly prohibited by these Bylaws. All matters voted at meetings of the Board of Directors, meetings of the members, and elections of directors or officers shall be decided by those physically present and qualified by these Bylaws to vote or act on such matters.

Section 3.07. Representative Voting. Legal entity organizations and nonlegal entity organizations which are members of the Association may be represented at any meeting of the members and may vote only as follows: (a) Any director, officer or general manager duly authorized in writing may represent and cast the vote of a corporation; (b) a trustee, steward, deacon, clerk or pastor duly authorized in writing may represent and cast the vote of a church; (c) a school trustee, principal or superintendent duly authorized in writing may represent and cast the vote of school; (d) and any other association or

organization not a legal entity may be represented by and have its vote cast by any person duly authorized in writing who is a trustee, or manger or part owner, or any officer of such association or organization.

Section 3.08. Order of Business. The order of business at the annual meetings of the members and, so far as practicable, at all other meetings of the members shall be essentially as follows, except as otherwise determined by any officer of the Association who is presiding at such meeting:

1. Report on the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting.
3. Reading, or the waiver thereof, of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors and committees.
5. Secretary to present petitions filed and posted for the nominations of directors.
6. Nominations for directors from the floor.
7. Election of election commissioners.
8. Unfinished business.
9. New business.

ARTICLE IV

DIRECTORS

Section 4.01. General Powers. The business and affairs of the Association shall be managed by a Board of Directors which shall exercise all the powers of the Association except such as are by law, or by the Articles of Incorporation of the Association, or by these Bylaws conferred upon or reserved to the members.

Section 4.02. Districts. In order to assure equitable representation of the geographical areas of the Association on the Board of Directors of the Association, the territory served shall be divided into districts as established by the supervisors' districts of Tishomingo County. Each district shall be represented by a minimum of two (2) directors. To provide an opportunity for representation of members living outside of Tishomingo County, there shall be three (3) at-large directors' positions. These at-large positions may or may not be filled by members who reside outside Tishomingo County. There shall be no more than one (1) at-large director from any single supervisors' district.

Section 4.03. Tenure & Qualifications.

- (a) Each year, one-third (1/3) of the total number of directors shall be elected by ballot, by and from the members, to serve for a term of three (3) years as provided by law. If the election of directors shall not be held at the annual meeting, if an annual meeting is not held, or if an election is not held for any reason, each director shall hold office until their successor shall have been elected and qualified.

- (b) No person or non-natural person as described in subsection (d) of this Section shall be eligible to become or remain a director or to hold any position of trust in the Association who is not an active member in good standing of the Association, has not been a bona fide resident of the district from which they are to be elected for six (6) months immediately preceding the nomination to directorship, or who is any way employed by or financially interested in a competing enterprise, or a business selling electric energy or supplies to the Association; provided, the employment by a governmental or quasi-governmental agency or entity, including, but not limited to, the Tennessee Valley Authority, shall not act as a disqualification to serve as a Director of the Association. No member or person receiving a retirement benefit or disability funded director or indirectly by the Association may serve as a director.
- (c) No person shall be eligible to become or remain a director who has been finally convicted of a felony or misdemeanor involving moral turpitude.
- (d) In order to be eligible to become or remain a director of the Association, a person must be a member of the Association and receiving service therefrom at his primary residential abode, and not be a close relative of an incumbent director as described in Sections 4.07 and 4.08. However, the operating or chief executive of any member which is not a natural person, such as a corporation, church, etc., or its designees, shall, notwithstanding that they do not receive service from the Association at their primary residential abode,

be eligible to become a director, from the directorate district in which such member is located, if they or such designee is in substantial permanent occupancy, direction or use of the premises served by the Association.

When a membership is held jointly by a husband and wife, either one but not both may be elected by a director; provided, however, that neither one shall be eligible to become or remain director or to hold a position of trust in the Association unless both shall meet the qualifications hereinabove set forth.

- (e) 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 chair presiding at the meeting at which such nominee would be otherwise 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 Association lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such positions from such person, or to cause them to be removed therefrom, as the case may be.
- (f) Nothing in this Section contained 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 intent adverse to that of the Association.

Section 4.04. Nominations and Election. Members may be nominated for positions on the Board of Directors by submitting petitions signed by a minimum of fifteen (15) members. Petitions must be presented to the Secretary of the Board of Directors or his designee at the Association's main office at least seven (7) days prior to the Annual Meeting of members. Nominations may also be made from the floor of the Annual Meeting, provided, that a quorum (as defined in Section 3.04) is physically present at the Annual Meeting. The names of nominees qualifying in accordance with these Bylaws shall be placed on the ballot for the election of directors. Each member may cast his or her ballot at any polling place selected and designated as such polling place regardless of the district in which the member resides. The election of directors shall be held the Saturday following the annual meeting date; the polls will be open from 8:00 a.m. until 6:00 p.m. on the date designated for the election. A member may also cast his or her ballot absentee at the Association's headquarters during normal business hours Wednesday, Thursday, or Friday prior to the election. If the leading candidate for a position of director does not receive a majority of the total votes cast in that election, then the two candidates for such office receiving the highest number of votes shall oppose each other in a run-off election to be held the following Saturday at the same polling places. The candidate receiving the highest number of votes in the run-off election shall be declared the winner. The Election Commissioners, of which the number is to be determined by the Board of Directors from year to year, shall be elected to conduct all elections held pursuant to the Bylaws. In the event the Election Commissioners are not elected by the members at the annual meeting, for whatever reason, or if elected subsequently refuse or are unable to serve in such

capacity, the Board of Directors, or their designee, shall, at any time prior to the date of the election, select the number of Election Commissioners necessary to fill the slate which would have otherwise been elected by the members at the annual meeting. It shall be the duty of the Election Commissioners so elected to conduct and supervise all balloting at any election held pursuant to these Bylaws during the term for which such Election Commissioner was elected and to count and certify the ballots at such elections.

Section 4.05. Removal of Directors and Officers. Any member for just cause may bring charges against an officer or director by filing them with the Secretary, together with a petition signed by ten per centum (10%) of the members, requesting the removal of the officer or director in question. “Just cause” includes but is not limited to official misconduct, gross negligence and/or final convictions of a felony or misdemeanor involving moral turpitude while in the performance of official duties. The removal shall be voted upon at the next regular or special meeting of the members and any vacancy created by such removal may be filled by the members at such meeting. The director or officer against whom such charges have been brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence; and the person or persons bringing the charges shall have the same opportunity.

Section 4.06. Vacancies. Subject to the provisions of these Bylaws with respect to the removal of directors, vacancies occurring in the Board of Directors shall be filled by a person meeting the qualifications of Section 4.03 and elected by a majority vote of the remaining directors, and the directors thus elected shall serve the unexpired terms of the

directors so replaced and until their successors shall have been elected and shall have qualified.

Section 4.07. Compensation, Reimbursement, Employment of Relatives.

- (a) Directors shall be entitled to compensation for time spent and to reimbursement for expenses incurred by them in the performance of their duties. Compensation of directors shall be in such amounts as may be authorized by the Board of Directors from time to time. Reimbursement to directors for expenses incurred while performing duties as such may be made either
 - (1) by payment of the actual amount of such expenses upon presentation of an itemized account therefor, or
 - (2) by the payment of such fixed sum for each occasion involving the performance of duties for the Association as may be authorized and deemed reasonable by the Board of Directors.
- (b) No close relative of any director shall receive compensation for serving the Association unless the relative (1) has been in the regular employ of the Association for at least one (1) year immediately preceding the time the director to whom they are related became a director; or (2) performs services certified by the Board of Directors as an emergency nature, or (3) receives compensation by authorization of the membership.
- (c) No employee or member who is a close relative of an employee shall serve as a board member unless the member was first elected as a director prior to

the close relative relationship being created. An incumbent director with a close relative relationship may not again serve on the board after his defeat in a duly held election or removal from office as specified in these Bylaws, as long as the close relative relationship exists.

Section 4.08. “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.

Section 4.09. Rules and Regulations. The Board of Directors shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation of the Association, or these Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Association.

Section 4.10. Accounting Systems and Reports. The Association’s accounting system shall be of the type and form as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America and Tennessee Valley Authority and subject to all applicable laws, rules and regulations of any lawful regulatory body. A complete audit of the accounts, books and financial condition of the Association shall be made as of and as soon as practical after the end of each fiscal year. A report on such audit shall be submitted to the members at the following annual meeting. If deemed practical by the management of the Association, a summary of the financial status of the Association may be published annually, and each summary will be furnished to any member of the Association but only upon written request made therefor.

Section 4.11. Indemnification and Liability Insurance.

- (a) On the conditions hereinafter stated, the Association or its insurer shall indemnify any director, officer or employee of the Association, including any former director, officer or employee of the Association, who is or was a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by virtue of their position within the Association, for expenses, claims, liabilities, costs, judgments, fines, including attorneys' fees reasonably incurred or imposed upon such person in connection with such actual or threatened action, suit, proceeding, or investigation and against any amount reasonably and with prior approval of the Board of Directors of the Association paid in settlement of any such actual or threatened suit, action or proceeding if: (1) the action complained of was undertaken in good faith; and (2) it was in good faith believed that (a) actions taken in any official capacity of the Association were in its best interests; (b) conduct in any other capacity was at least not opposed to the Association's best interests; and (c) in the case of any criminal proceeding, there was no reasonable cause to believe the conduct was unlawful.

The termination of a proceeding by judgment, order, settlement, or conviction is not, of itself, determinative as to whether the requisite standard of conduct has been met.

- (b) The purpose of this provision is to remove any financial risk in connection with the good faith service of a director, officer or employee and to this end the Association shall secure and maintain adequate liability insurance

governing such indemnification, expenses and attorneys' fees to the extent that it is reasonably available as determined by the Board of Directors and other provisions to the contrary notwithstanding, such indemnification as herein provided shall be provided at least to the extent of any applicable insurance coverages.

- (c) The Association may pay for or reimburse the reasonable expenses incurred by a director, officer or manager who is a party to a proceeding in advance of final disposition of the proceeding if:
 - (1) The individual furnishes the Association a written statement of their good faith belief that they have met the standard of conduct described in Section 4.11(a) above;
 - (2) The written statement reflects an agreement by the individual to repay the advance if it is ultimately determined that they did not meet the standard of conduct; and
 - (3) A determination is made that the facts then known to those making the determination would not preclude indemnification.

The undertaking required by subsection 4.11(c) above shall be an unlimited general obligation of the director, officer, or manager but need not be secured and may be accepted without reference to financial ability to make repayment.

- (d) There shall be no indemnification of any director, officer or employee of the Association if the Board of Directors affirmatively finds that they did not meet the standard of conduct outlined in Section 4.11(a) above. In making

such a determination, the Board of Directors must affirmatively state that sufficient facts exist to support a finding of non-compliance with the above described standard of conduct. Such an affirmative statement must be made by a majority of Board members who are not the object of the action, suit, proceeding or investigation. Should the entire Board of Directors be made the object of such action, suit, proceeding or investigation, then there shall be appointed by the Board of Directors of the Association an independent committee made up of ten (10) members whose sole purpose shall be to make such a determination on the issue of indemnification.

- (e) There shall be no indemnification of any director, officer or employee wherein the individual is adjudged by the Board of Directors to be guilty of misconduct, gross negligence, or illegal act or acts in the performance of his or her duties.
- (f) The provisions of this Section shall be inapplicable to any action brought by the Association against any officer or director otherwise indemnified hereunder or in connection with any other proceeding charging improper personal benefit to the one so charged, whether or not involving action in an official capacity, in which they are adjudged liable on the basis that personal benefit was improperly received.
- (g) 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 hereinafter cease to be officers and directors and shall inure to the benefit of their heirs and legal representatives.

ARTICLE V

MEETING OF DIRECTORS

Section 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held monthly at such time and place as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing time and place thereof; provided that, the President may change the date, time or place of a regular monthly meeting for good cause upon at least five (5) days' notice thereof to all directors.

Section 5.02. Attendance by Members at Meetings of the Board of Directors.

- (a) Regular meetings of the Board of Directors shall be open to the members of the Association unless the Board of Directors goes into executive session. Meetings of the Board of Directors shall not be open to non-members except upon express invitation of the Board of Directors. Executive sessions which are not open to members may be held when the Board of Directors discusses any of the following:
- (1) transaction of business and discussion of personnel matters concerning the character, professional conduct, or physical or mental health of a person;
 - (2) strategy sessions or negotiations with respect to prospective litigation, litigation, or issuance of an appealable order when an open meeting

would have a detrimental effect on the litigating position of the Association;

- (3) transaction of business and discussion regarding the report, development, or course of action regarding security personnel, plans, or devices;
 - (4) investigative proceedings regarding allegations of misconduct or violation of law;
 - (5) cases of extraordinary emergency which would pose immediate or irrevocable harm or damage to persons and/or property;
 - (6) transaction of business and discussions regarding the prospective purchase, sale or leasing of lands or the negotiations for or acquiring of easements or rights-of-way;
 - (7) transaction of and/or discussion of negotiations regarding the location, relocation, or expansion of Association facilities;
 - (8) discussion of employment or termination of employees;
 - (9) discussion of such matters as would be recognized by the courts as legal privileged;
 - (10) Any other business which the Board of Directors in its discretion deems to be of a sensitive nature.
- (b) Members of the Association may address the Board of Directors at a regular meeting regarding any suggestions for better service, grievances, or any other matter affecting the Association, provided that the member has at least five

(5) days in advance of the meeting made a written or verbal request, in a form and manner prescribed by the Association, which will include the subject matter to be addressed and provide such information as is necessary to enable the Association to investigate the matter. The President or acting president of the Board of Directors may limit the format and length of any member or non-member's presentation. The Board of Directors may defer any presentation by a member to the next scheduled Board meeting due to the number of members seeking to address the Board of Directors at the meeting or due to the length of any address or addresses. A non-member of the Association may not address the Board of Directors unless specifically invited by the Board of Directors, after executing a written request as provided above.

Section 5.03. Special Meetings.

- (a) Special meetings of the Board of Directors may be called by the President or any three (3) directors. The person or persons authorized to call special meetings of the Board of Directors may fix the time, at the Association's main office, for the holding of any special meeting of the Board of Directors called by them;
- (b) Special meetings may be held via telephone conference call, without regard to the actual location of the directors at the time of such telephone conference meeting, if all the directors consent thereto.

Section 5.04. Notice. Notice of the time, place and purpose of any special meeting of the Board of Directors shall be given by or at the direction of the Secretary, or upon a default in this duty by the Secretary, by those directors calling 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, at least five (5) days previous thereto, by written or electronic notice, delivered personally, mailed or by electronic means to each director at their last known address or electronic contact information. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. The attendance of the director at any meeting shall constitute a waiver of notice of such meeting, except when 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.

In case of an emergency confirmed by a quorum of directors, twenty-four (24) hours' notice may be given by telephone and/or delivered to the directors' last known address to convene a special meeting of the Board of Directors.

Section 5.05. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time provided that the Secretary shall notify any absent Director of the time and place of such adjourned meeting. A Director who may by law, or these Bylaws is disqualified from voting on a particular matter shall not, with respect to consideration of an action of that matter, be counted in determining the

number of Directors in office or present. The act of a majority of the Directors present at a meeting at which quorum is present shall be the act of the Board of Directors, except that a two-thirds (2/3) majority shall be required to sell assets of the system.

ARTICLE VI

OFFICERS

Section 6.01. Number. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, and other such officers as from time to time be deemed desirable 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 officers may be elected annually by secret, written ballot or by any other proper method, without prior nomination, by and from the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members, or until a successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

Section 6.03. 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 interests of the Association will be served thereby.

Section 6.04. Vacancies. Except as otherwise provided in these Bylaws, a vacancy in any office may be filled by the Board of Directors for the unexpired portion of the term.

Section 6.05. President. The President:

- (a) shall preside at all meetings of the Board of Directors and all meetings of the members; provided, that the President shall have the authority to appoint any person to serve as chair of any special or regular meeting of the members, such chair to have all duties and responsibilities of the President of the Association while so presiding;
- (b) shall sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases where the signing and execution thereof shall be expressly delegated to some other officer or agent of the Association by the Board of Directors or by these Bylaws, or shall be required by law to be otherwise signed or executed;
- (c) shall appoint all committees of the Board of Directors and of the Association, both standing committees and temporary committees, except where otherwise provided by these Bylaws, and shall serve as ex officio member of all committees except the Election Committee; and
- (d) in general, shall perform all duties incident to the office of the President and other such 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 an inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned by the Board of Directors.

Section 6.07. Secretary. The Secretary shall:

- (a) keep the minutes of the meeting 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) keep a register of the names and post office addresses of all members;
- (d) have general charge of the books of the Association;
- (e) keep on file at all times a complete copy of the articles of incorporation and Bylaws of the Association containing all amendments thereto (which copy shall always be open to the inspection of any member); and
- (f) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.

Section 6.08. Treasurer. The Treasurer shall be responsible for:

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

- (c) the general performance of all duties incident to the office of the Treasurer and such other duties as from time to time may be assigned 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 Sections 6.07 and 6.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the authority for, and the regular or routine administration of, one or more of each officers' duties to one or more agents, other officers or employees of the Association who are not directors.

Section 6.10. Manager. The Board of Directors may appoint a Chief Executive Officer and General Manager, who may be, but who shall not be required to be, a member of the Association. The manager shall perform such duties and shall exercise such authority as the Board of Directors may from time to time so vest.

Section 6.11. Bonds. The Board of Directors in its discretion may require any officer, agent or employee of the Association to give bond in such amount and with surety as it may determine. The costs of all such bonds shall be borne by the Association.

Section 6.12. Compensation. The Board of Directors shall, from time to time, fix, amend or increase the compensation of the Chief Executive Officer and General Manager. The wages and salaries of all employees of the Association not subject to collective bargaining shall be fixed by the Chief Executive Officer and General Manager, subject to the approval of the Board of Directors. The wages and salaries of all employees subject to

collective bargaining, shall be fixed by the Negotiating Committee, subject to the final approval of the Board of Directors.

Section 6.13. Reports. The officers of the Association shall submit at each annual meeting of the members reports covering business of the Association for the fiscal year and showing the condition of the Association at the close of such fiscal year.

ARTICLE VII

CONTRACTS, CHECKS AND DEPOSITS

Section 7.01. Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent, or agents, to enter into any contract or execute and deliver any instrument in the name of or on behalf of the Association, and such authority may be general or confined to specific instances.

Section 7.02. Checks, Drafts, Etc. All checks, drafts and other orders for payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed and countersigned by an officer or officers of the Association or by the Chief Executive Officer and General Manager or other employee as designated by the Board of Directors and in such manner as shall from time to time be determined by a resolution of the Board of Directors.

Section 7.03. Deposits. All funds of the Association except petty cash shall be deposited or invested from time to time to the credit of the Association in such bank or banks or in such financial securities or institutions as the Board of Directors may select, not inconsistent with Miss. Code Ann. Section 75-5-247.

ARTICLE VIII

NON-PROFIT OPERATION

Section 8.01. Interest or Dividends on Capital Prohibited. The Association shall at all times be operated on an association nonprofit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Association on any capital furnished by its patrons, unless otherwise required by law or regulatory authority or by resolution of the Board of Directors.

Section 8.02. Disposition of Revenues: Capital. The revenues and receipts of the Association shall first be devoted to the payment of all operating and maintenance expenses necessary or desirable for the prudent conduct and operation of its business and to the payment of the principal of and interest on such obligations as the Association may have issued and/or assumed in the performance of the purpose for which it was formed, and thereafter to such reserve for improvement, new construction, depreciation and contingencies as the Board of Directors may from time to time prescribe. 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 Association, 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 and other construction incident thereto, electric system improvements, 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 Association shall maintain such books and records as will enable it, when required by law or these Bylaws, to compute the amount of capital contributed during any given period by each of its members and non-members. Excess revenues shall be returned to members only by way of general rate reductions, and except in the case of dissolution or sale of the Association, capital shall not be returned to members through any form of cash payment or reimbursement, whether by capital credit retirement, rebates, cash refunds, bill credit or otherwise.

Section 8.03. Rights Upon Dissolution. In the event of dissolution of the Association, 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 Association. 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 Association 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; and
- (b) The remaining liquidation proceeds, if any, shall be distributed ratably among the members holding membership as of the time it ceases to conduct its business of supplying electric power and energy.

ARTICLE IX

ACCESS TO ASSOCIATION RECORDS

Section 9.01. Access to Corporate Records. Upon timely and reasonable written request, in a form and manner prescribed by the Association, members of the Association will be entitled to examination of Association records and information where the Chief Executive Officer and General Manager and the Association's general counsel, or the Board of Directors agree that the request is in good faith, that the information requested and the purpose for which it is requested are materially germane to the requesting person's status and interest as a member of the Association, where the furnishing of information will not be inimical to the Association's best interest, and where the release of such information will not subject the Association to litigation or invade the privacy of any person.

The Association's response to requests from members for Association information shall be governed by the following rules and procedures:

- (a) No requests for information shall be considered until the requesting member fills out and executes an information request form.
- (b) The request for as executed will be reviewed as soon as possible by the General Manager who, before acting, shall consult with the Association's general counsel. If both conclude that:
 - (1) the request is in good faith;
 - (2) the information requested and the purpose for which it is requested are materially germane to the requesting member's status and interest as a member of the Association,

- (3) furnishing the requested information will not be inimical to the Association's best interests, and
- (4) the release of such information will not subject the Association to litigation or invade the privacy of any person, then a time and manner will be provided for making such information available during normal business hours.

If either or both disagree to the applicability of any of the foregoing factors, the matter will be referred to the Board of Directors for decision based upon those same factors.

ARTICLE X

SALE OR LEASE OF ASSETS OF THE ASSOCIATION

Section 10.01. Vote of the Members Not Required. The Board of Directors may, without authorization of the members, sell, mortgage, lease or otherwise encumber or dispose of

- (a) any of its property which, in the judgment of the Board of Directors, is neither necessary nor useful in operating and maintaining the Association's system in which in any one (1) year shall not exceed ten percent (10%) in value of all of the property of the Association, or
- (b) merchandise.

This Section and the other provisions of this article, however, shall have no application to the mortgaging or encumbering of the property of the Association for the purpose of borrowing money.

Section 10.02. Vote Required.

- (a) For property of the Association to be sold, leased, or disposed of other than in Section 1, the same must be first authorized by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the members of the Association.

Section 10.03. Procedural Requirements.

- (a) A proposal to sell property of the Association may be considered and voted on at the annual meeting of members or a special meeting of members called for such purpose. A meeting of the members of the Association for the purpose of considering and voting upon the sale, lease or other disposition of property of the Association to a particular Purchaser or to any person controlling, controlled by, or under common control with such Purchaser (an “Affiliate”) shall not be held more than once in any twelve (12) month period.
- (b) In order for any proposal to sell, lease, or otherwise dispose of property of the Association to be properly brought before an annual or special meeting of the members, the requirements of Section 75-5-237, Mississippi Code (1972) must be met, and in addition the following requirements must be satisfied:
 - (1) The Association must have provided written notification of the offer of purchase to any lender desiring to receive such notification or to any generation and transmission association of which the Association is a member. The notification of the offer of purchase must contain all

of the information provided to the Association, its management and Board of Directors, or which is filed with the Public Service Commission.

- (2) The disclosure required by Section 77-5-237 Mississippi Code (1972) and any additional disclosure required by these Bylaws must have been received in a form to allow management and the Board of Directors ample opportunity to review the same.
- (3) The Purchaser must have agreed in writing to assume those obligations of the Association as required by Section 77-5-237 Mississippi Code (1972), and other provisions of these Bylaws.
- (4) The Purchaser must have agreed in writing to indemnify the Association and its members against any damage, liability or loss (including, without limitation, reasonable attorneys' fees, interest, penalties, judgments and amounts paid in settlement of, any claim, suit, action or proceeding) sustained, incurred, paid or required to be paid by the Association arising out of any act or omission of the Association or Purchaser occurring before or after the sale of property of the Association to the Purchaser.

Section 10.04. Required Disclosure. Any Purchaser shall prepare and deliver to the Board of Directors of the Association a written disclosure statement containing the following information and documents:

- (a) that information as required by Section 77-5-237, Mississippi Code (1972);

- (b) any plans or proposal of the Purchaser or an Affiliate of the Purchaser concerning the future conduct of the business of the Association including, but not limited to:
 - (1) Resale of any of the property of the Association;
 - (2) Termination of employment of persons employed by the Association;
 - (3) Changes in benefits of employees of the Association under any employee benefit plan;
 - (4) Changes in rates for electricity to be charged in the service area served by the Association; and
 - (5) Any reduction in service, change in service area, or requirements as to minimum charges which would affect members of the Association;
- (c) An opinion of counsel to the Purchaser setting forth the tax consequences of the acquisition to the Association and its members; and
- (d) Any other information which a reasonable person would consider important in deciding whether to vote for approval of a proposal to sell, lease or otherwise dispose of the property of the Association.

Section 10.05. Competing Bid Disclosure. Any competing bids given to the Association members of the proposed purchase shall include any other offers to purchase received from any lender of the Association or any generation and transmission association of which the Association is a member and shall include the terms of the offer and such other information as the lender or generation and transmission association may request to

be transmitted to the members and which is material to the future generation of the assets to be purchased.

Section 10.06. Effect of Noncompliance. Any sale, lease, or other disposition of the property of the Association that is not affected in strict compliance with the provisions of Section 77-5-237, Mississippi Code (1972) and the provisions of Sections 10.03 and 8.02(e) of these Bylaws shall be void. Any Purchaser or Affiliate of a Purchaser which is providing the disclosure required by Sections 10.03, 10.04 and 10.05, or in any communication with the members of the Association, written or oral, makes false or misleading statements concerning material facts or omits information necessary to make the information disclosed not misleading shall be liable to the Association and its members for any damages incurred thereby, including, but not limited to, the difference in the consideration paid for the property of the Association by the Purchaser and the fair value of such property and any increases paid or to be paid in the future for electricity by the members of the Association.

Section 10.07. Non-Application to Consolidation. The provisions of Section 10 do not apply to the consolidation of associations effectuated pursuant to Miss. Code. Ann. Section 77-5-217.

Section 10.08. Severability. If any section of Article 10, or any provision thereof, is determined by any court to be invalid, such invalidity shall not affect the validity of the other sections or provisions of this Article.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Membership in Other Organizations. The Association may become a member of any and all other organizations two-thirds (2/3) of the Board of Directors may determine shall be in the best interest of the Association, and the Directors shall have full power and authority to authorize the Association to purchase stock in or to become a member of any corporation or association organized on a nonprofit basis for the purpose of engaging in rural electrification, industrial or economic development, or other worthwhile non-profit endeavors. The directors shall also have full power and authority to subscribe for and on behalf of the Association, on an annual basis or otherwise to “Mississippi EPA News” and any and all other publications as may be determined by the directors, and payment for such publication subscriptions shall be made of and from funds accruing in each member’s favor.

Section 11.02. Waiver of Notice. Any member or director may waive, in writing, any notice required to be given by these Bylaws, and such waiver may be executed either prior to or on the date of the meeting. In case of a joint membership, a waiver or notice signed by either husband or wife shall be deemed a waiver of notice of such meeting by both joint members.

Section 11.03. Fiscal Year. The fiscal year of the Association shall begin on the first day of July of each year and end on the last day of June of the following year.

Section 11.04. Seal. The corporate seal of the Association shall be in the form of a circle and thereon shall be inscribed the name of the Association and the words “Corporate Seal, Mississippi”.

Section 11.05. Amendments. These Bylaws may be altered, amended, or repealed by the affirmative vote of not less than two-thirds (2/3) of all the Directors. This may be done at any regular meeting or special meeting, provided the notice of such meeting shall have contained a proposed alteration, amendment or repeal.

Section 11.06. Robert’s Rules of Order. Parliamentary procedure shall be governed by the most recent edition of Robert’s Rules of Order at all Association meetings, including committee meetings which may be duly established by the Board of Directors, except to the extent such procedure is otherwise determined by law or by the Association’s Certificate of Incorporation or these Bylaws.

ARTICLE XII

BROADBAND SERVICES

Section 12.01. Authorization. The Association is authorized, in the sole discretion of its Board of Directors, to establish, acquire, and wholly or partially own one or more Broadband Affiliates, as provided in, and consistent with, the Mississippi Broadband Enabling Act of 2019 (as amended). Prior to the provision of broadband services, the Board of Directors of the Association shall, by resolution spread upon its minutes, have an economic feasibility study conducted and adopt a plan that will provide service to its entire certificated area. Such feasibility study shall be made available to members upon request.

Section 12.02. Broadband System. The Association may own, lease, construct, maintain and operate, as part of its electric delivery system, lines, cables, and other equipment which may be used, in part, for the provision of broadband services to the public. The Association may allow its Broadband Affiliate or an unaffiliated broadband operator to own, lease, maintain and operate equipment for the provision of broadband services on the Association's electric delivery system and to provide broadband services to the public utilizing the Association's electric delivery system. Such use of the Association's electric delivery system for the provision of broadband services shall not be considered an additional burden on any real property upon which the Association's electric delivery system is located and shall not require the consent of the owner of such real property or any other person having an interest therein. Any such provision of broadband services on the Association's electric delivery system shall not diminish the reliability of the Association's electric delivery system.

Section 12.03. Use of Broadband Capacity. The Association may determine, in the sole discretion of its Board of Directors, which broadband operators, if any, may have access to broadband capacity on the Association's electric delivery system, and may provide that its Broadband Affiliate or other broadband provider shall have exclusive access to broadband capacity on the Association's electric delivery system.

Section 12.04. Charges for Use of Broadband Capacity. The Association may charge its Broadband Affiliate or an unaffiliated broadband operator for the construction, installation, operation, use and maintenance of those parts of its electric delivery system that are used or reserved for use for the provision of broadband services. Any lease of

portions of the Association's electric delivery system for the provision of broadband services which includes use of the Association's poles shall include pole attachment fees to be paid to the Association equal to pole attachment fees charged by the Association to like unaffiliated, private entities.

Section 12.05. Prohibition of Use of Electric Revenues: Permissible Actions. The Association shall not use its electric energy sales revenues to subsidize the provision by its Broadband Affiliate or an unaffiliated broadband operator of broadband services to the public. The Association may, however, in the sole discretion of its Board of Directors, (i) make capital investments in a Broadband Affiliate, (ii) make loans to a Broadband Affiliate at fair market rates, and (iii) enter loan guarantees for the benefit of a Broadband Affiliate, all of which may be in such amounts and on such terms as the Association's Board of Directors determines to be prudent and authorizes.

Section 12.06. Purchase of Broadband Services. No member shall be required to purchase broadband services as a condition of receiving or continuing to receive electric energy from the Association. The Association shall not disconnect, nor threaten to disconnect, electric service to any member due to the member's failure to pay for broadband services provided to the member by a Broadband Affiliate or other broadband operator.

Section 12.07. Policies and Procedures. From time to time, the Board of Directors of the Association may prescribe, adopt, amend, and repeal certain policies, procedures, rules and regulations relating to the provision of broadband services through its electric delivery system, and may delegate such authority to its Broadband Affiliate.

As adopted by the Board of Directors of Tishomingo County Electric Power Association,
June 30, 1992 and amended February 27, 2024.



President



Secretary