

MEMORANDUM

TO : Our Newest SLEMCO Member

FROM : Mary A. Laurent

RE : **MEMBER SERVICES**

First of all, I would like to welcome you as a member of SLEMCO.

We offer several benefits to our customers such as energy conservation counseling and a subscription to our bimonthly magazine, SLEMCO Power. We try very hard to be responsive to customer needs and often help school children with reports on electricity or make class presentations on energy conservation. If I can ever be of assistance to you, please feel free to contact me. I am here to serve you and if I do not have an answer for your question, I will find someone who does.

You can call me or send your letter to my attention at:

Ms. Mary Laurent
SLEMCO
PO Box 90866
Lafayette, LA 70509
(337) 896-5384
e-mail: info@slemco.com

SAVE MONEY

CHECK! PERHAPS YOUR HOME QUALIFIES FOR SLEMCO'S MONEY-SAVING ELECTRICONOMY RATE!

HOW CAN YOU TELL?

REQUIREMENTS FOR ELECTRICONOMY (05) ALL ELECTRIC RATE:

First, it must be a home occupied 11 months out of the year. A camp or second home does not qualify.

Simply put, the rest of the requirements for the money-saving Electriconomy Rate (05) are that you must heat your home with electricity and your water heater must be electric, too. It makes no difference whether your stove is electric or not, or whether your clothes dryer is electric.

Specifically, the requirements for the Electriconomy Rate are these:

1. Consumer must have in regular use one or more electric hot water heaters of the automatic storage type to supply all hot water needs. The water heater installation, control, operation, and size of heating elements must meet Corporation specifications. Minimum capacity is 20 gallons.
2. Electric heating must be used for one's complete needs and cannot be used as a supplement to any other type of heating.

Individual Room Heater - All heaters must be the freestanding or permanently installed type (wall insert or surface mounted) and rated for operation at 120/240 volts or 220/240 volts. A minimum of one (1) kilowatt of heating for each 100 square feet of living area is required

Central Heating and Cooling - All installation must comply with the manufacturer's recommendations and specifications on the size of units, wire size and fusing, and also the design of an adequate, well insulated duct system. Window unit heat pumps or through-the-wall heat pumps also qualify for the 05 Rate.

Please check your next month's bill. Look under "**RATE**". Unless the number there is 05, you are not presently on the Electriconomy Rate.

If your home can qualify for the Electriconomy Rate (05), SLEMCO wants you on the money-saving rate. If the rate classification on your bill card is shown as "01" (regular Residential Rate) and you think you qualify for the 05 Rate based on the above requirements, call **SLEMCO (337) 896-5200**. If it appears you may very well qualify for the money-saving 05 Rate, a SLEMCO Serviceman will be sent to your home to be sure. SLEMCO needs your help to make sure you are taking advantage of the lowest possible Electric Rate. Call today if you have a question.

Thank you.

**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE**

STATEMENT OF NON-DISCRIMINATION

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Person with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at <http://www.ascr.usda.gov/complaintfilingcust.html> and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;**
- (2) Fax: (202) 690-7442; or**
- (3) Email: program.intake@usda.gov**

USDA is an equal opportunity provider, employer, and lender.

APPLICATION FOR MEMBERSHIP AND FOR SERVICE

The undersigned (hereinafter called the "Applicant") hereby applies for membership in and agrees to purchase electric energy for **SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION** (hereinafter called the "Cooperative"), upon the following terms and conditions:

1. The Applicant will pay the Cooperative the sum of \$5.00 which, if this application is accepted the Cooperative by furnishing service, will constitute the Applicant's membership fee. The said fee shall be charged on the first month's bill, and in the event of discontinuance of service, shall be credited to the amount due in the last bill rendered.

2. The Applicant will, when electric energy becomes available, purchase from the Cooperative all such services used on the premises described below and will pay therefore monthly at rates to be determined from time to time in accordance with the by-laws of the Cooperative. The Applicant will pay for all services in accordance with and subject to policies, rules and regulations of the Cooperative, established by the Board of Directors from time to time.

3. The Applicant will cause the wiring facilities of his premises to be in accordance with the specifications approved by the Cooperative.

4. The Applicant will comply with, and be bound by, the provisions of Articles of Incorporation and by-laws of the Cooperative and all amendments and additions thereto and such rules and regulations as may, from time to time, be adopted by the Cooperative. The Applicant agrees that part of the earnings of the Cooperative will apply to the subscription for the publication currently being distributed by the Cooperative to its members.

5. The Applicant, by paying a membership fee and becoming a member, assumes no personal liability or responsibility for the debts and liabilities of the Cooperative, and it is expressly understood that his private property is exempt from execution for any such debts or liabilities.

6. The Applicant agrees that, for every monthly charge for electricity furnished and/or services provided by **SLEMCO** which is not paid by the delinquent date, as shown on the monthly bill, a delinquent fee of 5% of each monthly amount past due shall be charged to and paid by the Applicant.

7. The Applicant agrees that, if the electric meter serving the installation is tampered with, the Cooperative may, without notification and its sole discretion, disconnect service immediately. The Applicant further agrees to pay a minimum \$100 meter tampering fee plus the estimated cost of unmetered energy before service is restored.

Applicant's Signature

Address

City

Zip Code

DATA COLLECTION INFORMATION

NEW PATRONS

As a participant in a Federal utilities financing program, SLEMCO is required to identify and document as accurately as possible the racial/ethnic data on the eligible population in our service area. We would appreciate your checking the appropriate group listed below and returning this form, along with the “**Application for Membership and for Service**” form (**blue sheet**), to us within 2 weeks.

Please note, your response to this form is optional. The information you provide will be used only for **FEDERAL GOVERNMENT REPORTING PURPOSES**.

Should you have any questions, you may contact a **Customer Service Representative at 337-896-5200**.

Thank you for your cooperation in this matter.

YOUR NAME _____
ADDRESS _____

RACIAL/ETHNIC GROUP:

- a. American Indian or Alaska Native _____
- b. Asian _____
- c. Black or African American _____
- d. Native Hawaiian or Other Pacific Islander _____
- e. White _____
- f. Hispanic or Latino _____
- g. Other _____

Please return this form to: **SLEMCO**
P.O. Box 90866
Lafayette, LA 70509-0866

**SLEMCO
BY-LAWS**

BY-LAWS

of SOUTHWEST LOUISIANA ELECTRIC MEMBERSHIP CORPORATION

ARTICLE 1

Membership

Section 1. Requirements for Membership. “Any Person (as defined in Louisiana R.S. 12:402(c) may become a member in Southwest Louisiana Electric Membership Corporation (hereinafter called the “Corporation”) by:

- (a) filing a written application for membership therein;
- (b) agreeing to purchase from the Corporation electric energy as hereinafter specified;
- (c) agreeing to comply with and be bound by the Articles of Incorporation and By-Laws of the Corporation and any rules and regulations adopted by the Board of Directors; and
- (d) paying the membership fee hereinafter specified : provided, however, that no Person (as defined in Louisiana R.S. 12:402(c) shall become a member unless and until he or it has been accepted for membership by the Board Of Directors or the members. No member may hold more than one membership in the Corporation, and no membership in the Corporation shall be transferable.

At each meeting of the members, all applications received more than ninety days prior to such meeting and which have not been accepted or which have been rejected by the Board of Directors shall be submitted by the Secretary to such meeting and subject to compliance by the applicant with the requirements herein above set forth, such applications or any one or more of them may be accepted by vote of the members. The Secretary shall give each such applicant at least ten days notice of the date of the member’s meeting to which his application will be submitted and each applicant shall be entitled to be present and heard at the meeting

Section 2. Membership Certificates. Membership in the Corporation may be evidenced by a membership certificate in such form, containing such provisions, and issued on such conditions, as the Board of Directors may, in its sole discretion, from time to time determine, authorize and direct. Nothing contained in this Section shall be construed as requiring the issuance of any such certificates.

Section 3. 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 to the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall have the effect of constituting a joint waiver of notice of the meeting;
- (b) Either the husband or the wife, or both jointly, shall be entitled to vote the joint membership, provided, however, the vote of either separately or both jointly shall constitute only one vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either, but not both, may be elected or appointed as an officer or director provided that both meet the qualifications for such office.

Section 4. 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 the Articles of Incorporation, By-Laws, and rules and regulations adopted by the Board of Directors. The outstanding membership certificate shall be surrendered, and shall be reissued by the Corporation in such manner as shall indicate the changed membership status.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. The outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status; provided, however, that the estate of the deceased shall not be released from any debts due the Corporation.

Section 5. Membership and Service Connection Fees. The membership fee shall be five dollars (\$5.00) upon the payment of which a member shall be eligible for one service connection. An additional fee of five dollars (\$5.00) shall be charged for each additional service connection. Commercial and residential service may be obtained on one membership if the commercial activity is carried on in the residence of the owner, as determined by the Board of Directors.

Section 6. Purchase of Electric Energy. Each member shall, as soon as electric energy shall be available, purchase from the Corporation all electric energy used on the premises specified in his application for membership, and shall pay, therefore monthly at rates which shall, from time to time, be fixed by the Board of Directors; provided, however, that the Board of Directors may limit the amount of electric energy which the Corporation shall be required to furnish to any one member. It is expressly understood that amounts paid for electric energy in excess of the cost of service are furnished by members as capital

and each member shall be credited with the capital so furnished as provided in these By-Laws. Each member shall pay to the Corporation a minimum amount per month regardless of the amount of electric energy consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by said member to the Corporation as and when the same shall become due and payable.

Section 7. Service to Non-Members. The Corporation shall render service only to its members, except as provided for in the Corporation's Articles of Incorporation.

Section 8. Withdrawal From Membership. Any member of the Corporation may withdraw from membership upon payment in full of all of his or its debts and liabilities to the Corporation and upon compliance with and performance of such terms and conditions as the Board of Directors may prescribe.

Section 9. Termination of Membership.

- (a) Memberships in the Corporation shall not be transferable and upon the death, cessation of existence, expulsion or withdrawal of a member, the membership of such member shall thereupon terminate and the membership shall be surrendered to the Corporation. Upon his or its death, cessation of existence, expulsion or withdrawal, the Corporation may, if in the opinion of the Board, the financial condition of the Corporation justifies it, pay to such member or his personal representative the membership fee originally paid. Termination of membership by death, cessation of existence, expulsion, withdrawal or any other cause shall not release the member from the debts or liabilities of such member to the Corporation, nor release the Corporation from the obligation to pay each member, and former member, his equitable share as reflected by the patronage records of the interest in the Corporation, provided that in the event of termination of membership for any cause, the Treasurer or other proper office may apply the membership fee and/or members patronage capital to the payment of any indebtedness to the Corporation.
- (b) In case the Corporation disposes of facilities which are necessary for the service of any of the members of the Corporation, such members shall be notified of such disposition at least two (2) months in advance and shall be entitled to have their respective membership repurchased.

Section 10. Expulsion of Members and Penalties For Failure to Pay Debts to Corporation or Infraction of Rules.

- (a) If any member shall neglect or refuse to pay any bill or other obligation owed by him to the Corporation, the Secretary shall mail to him a written demand for payment thereof. The demand shall be sent to his address as shown on the books of the Corporation. If the entire amount due and payable is not discharged within ten (10) days from the date of the mailing of the demand, the Board may declare all his rights and privileges forfeited and expel him from membership in

the Corporation, or may discontinue service to him, or both. The Board may also expel any member who has violated or refuses to comply with any of the provisions of the Articles of Incorporation, By-Laws, or rules and regulations. Without any limitation on any other provisions of these By-Laws, if a member is expelled, any membership or service connection fees, members patronage capital and/or security deposits previously paid by him to the Corporation may be retained as liquidated damages to cover the expense of making electric service available to such member up to the time of his expulsion.

- (b) The Board may reinstate expelled members upon payment in full of all amounts due them to the Corporation, plus interest at not to exceed six percent (6%) per annum, or upon the making of arrangements satisfactory to the Board for the payment of such obligations in installments.

Section 11. Security Deposits.

- (a) When the payment for a membership or memberships does not in the judgment of the Board constitute sufficient security for payment of the bills of the holder thereof, the Board shall require such member to post a deposit with the Board in an amount sufficient to secure such payments.

Section 12. Easements For Corporation's Lines.

- (a) Members shall, without charge to the Corporation, grant to it easements over land owned by them, for the transmission and distribution lines of the Corporation, and the Board may require from applicants for membership the return of any payments previously made to such applicants for easements.

ARTICLE II

Rights and Liabilities of Members

Section 1. Property Interest of Members. Upon dissolution, after:

- (a) all debts and liabilities of the Corporation shall have been paid, and
- (b) all capital furnished through patronage shall have been retired as provided in these By-Laws, then the remaining property and assets of the Corporation shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the seven years next preceding the date of the filing of the certificate of dissolution, or if the Corporation shall not have been in existence for such period, during the period of its existence.

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

ARTICLE III

Meeting of Members

Section 1. Annual and Special Meetings.

- (a) The Annual Meetings of the Members shall be held each year on the second Saturday in June commencing in June of 2021 for the purpose of electing Directors, passing upon reports covering the previous fiscal year end transactions and other business as may become before the Meeting. If such Annual Meeting is omitted on the date herein provided for, a Special Meeting may be held in place thereof, and any business transacted or elections held at such Special Meeting shall have the same effect as if transacted or held at the Annual Meeting. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Corporation.
- (b) Special Meetings of the members may be called by the President, by Resolution of the Board of Directors, upon written request signed by any three Directors, or by a Petition signed by not less than twenty-five percent (25%) of the Members of the Corporation acquired within thirty (30) days of the first signature on the Petition. It shall thereupon be the duty of the Secretary to cause a notice of such meeting to be given as hereinafter provided.

Section 2. Place and Purposes of Member's Meetings.

- (a) Meetings of the members shall be held at the principal office of the Corporation in the City of Lafayette, Louisiana, or at such other place in the State of Louisiana as may be designated in the call of the meeting.
- (b) The purposes for which meetings of the members are to be held, in addition to those purposes prescribed by law, include Amendments to the Articles of Incorporation, or By-Laws, and in the case of a Special Meeting, the purpose or purposes for which the meeting is called shall be specified in writing. Special Meetings shall be called by the President, Board of Directors, a written request signed by any three (3) Directors, or by a Petition signed by not less than twenty-five percent (25%) of the members of the Corporation acquired within thirty (30) days of the first signature on the Petition.

Section 3. Notice of Meetings.

- (a) Written or printed notice of the time and place and purposes as set out in Section 2 of all meetings shall be either mailed or delivered personally to each member not less than ten (10) days nor more than twenty-five (25) days before the date for such meeting, directed to his address as it appears on the Corporation's books, postage prepaid. If mailed, with postage thereon prepaid, 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 Corporation. 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 of any such meeting.

Section 4. Quorum. Three percent (3%) of all members present in person, shall constitute a quorum. At any meeting of members at which a quorum is determined not to be present, a majority of those present in person may adjourn the meeting from time to time without further notice.

Section 5. Voting.

- (a) At every meeting of the members, each member present shall be entitled to only one vote. Where the membership stands in the name of the husband, the vote may be cast by the wife in the event the husband is not in attendance, and where the membership stands in the name of the wife, the vote may be cast by the husband if the wife is not in attendance. A duly authorized officer of any firm, corporation, partnership, association, business trust, federal agency, state or political subdivision or agency thereof, or any body politic, may, upon proper proof of his authority, cast the vote of such organization. Except as otherwise provided herein, at all such meetings of the members at which a quorum is present, all questions shall be decided by vote of a majority of the members voting on the particular question.
- (b) There shall be no voting by proxy.

Section 6. Order of Business. The Order of Business at the Annual Meetings of the members, and so far as possible at all other meetings of the members, shall be as follows:

- (1) Report as to which members are present in person in order to determine the existence of a quorum.
- (2) Reading of the Notice of the Meeting together with proof of the due mailing thereof or of the waiver or waivers of notice of such meeting.
- (3) Presentation and reading of unapproved Minutes of previous meetings of the members and the taking of necessary action thereon.
- (4) Presentation and consideration of, and acting upon,

- Report of Officers, Directors, and Committees.
- (5) Election of Directors.
 - (6) Unfinished Business.
 - (7) New Business.
 - (8) Adjournment.

ARTICLE IV

Board of Directors

Section 1. General Powers. The business and affairs of the Corporation shall be managed by a Board of Directors which shall exercise all of the powers of the Corporation except such as are by law or by the Articles of Incorporation or by these By-Laws conferred upon or reserved to the members.

Section 2. Number and Qualifications and Election.

- (a) The number of Directors of the Corporation shall be ten (10). Each Director must be a natural person who is a member of the Corporation and shall be elected by the members at the Annual Meeting of members or at the Special Meeting held in lieu thereof, for the term and as provided by these By-Laws. There shall be two (2) Directors from each of the following Parishes: Acadia, St. Landry, Lafayette, St. Martin, and Vermilion. Each Director shall have resided in one of the aforesaid parishes for the preceding two (2) years, and shall have been actively domiciled for the preceding year in the parish he represents.
- (b-1) No person may hold the office of Director who is in any way employed by the corporation.
- (b-2) No person may hold the office of a Director if he and/or an immediate family member is financially interested in a competing enterprise or a business selling electric energy or supplies to the Corporation, or a business primarily engaged in selling electrical or plumbing appliances, fixtures, or supplies to the members of the Corporation. An immediate family member, for the purpose of this sub-section, (b-2) is defined as the Director's spouse, parent, child, grandchild, brother, sister, and/or spouses thereof, including any inlaws of the aforesaid persons. A financial interest for the purpose of this sub-section (b-2) is defined as an ownership interest in excess of 10% in an enterprise or business above referenced, and which ownership interest produces an income in excess of \$500 per annum.
- (c) No person may be eligible to serve as a Director who is the incumbent of or a candidate for an elective public office in connection with which a salary in excess of \$500.00 per annum is paid.
- (c-1) No person shall be allowed to hold the office of a Director of the Corporation who is physically and/or mentally incapable of performing all of the duties

required of a Director. Such a determination, pursuant to a charge of incapacity, shall first be made by a physician selected by a majority of the Board of Directors and who after performing his evaluation, renders a report certifying the incapacity, either physically or mentally, of the Director. Upon such certification, a majority of the Board of Directors shall be allowed to declare said party mentally and/or physically incapable of performing all of his duties as a Board Member. A refusal to submit to the examination subjects the Director charged to immediate removal by majority vote of the Board of Directors.

- (c-2) No person may hold the office of a Director of the Corporation who has been convicted of any felony or a misdemeanor involving moral turpitude.
- (c-3) No person may be eligible to serve as a Director who has an immediate family member (immediate means within the third degree) serving on the Board of Directors of the Corporation.
- (c-4) No person holding the position of a Director of this Corporation shall be allowed to solicit or otherwise request that the Corporation and/or its employees conduct business with said Director.
- (c-5) No person shall be eligible to serve as a Director until two (2) years has elapsed since he was an employee of the Corporation.

Any person and/or Director who violates any of the requirements of Article IV, Section 2, Paragraphs a, b, c, and/or c subparts, after due notice at least five (5) days prior to the meeting at which the charges are to be considered, shall have the right to be heard in person or by counsel and to present evidence in respect to the charges and the Board of Directors shall have the same opportunity.

At the next regularly or specifically scheduled meeting, the Board of Directors, of the Corporation, by a majority vote of said Board, may remove and the same are hereby authorized to remove the Director who has violated and/or who is found not to have fulfilled the qualifications of serving on the Board of Directors of the Corporation. Said vacancy shall be filled as provided for in Article IV, Section 4, of these By-Laws.

- (e) **Nomination.** It shall be the duty of the Board of Directors to appoint, not less than forty-five (45) days nor more than one hundred (100) days before the date of the meeting of members at which Directors are to be elected, a Committee on Nominations consisting of not less than five (5) nor more than eleven (11) members, who shall be selected from different sections of the project area so as to ensure equitable representations. No member of the Board of Directors may serve on such committee. The date, time, and place of the meeting of the Nominating Committee for the Board of Directors shall be published in the bi-monthly issue of the membership publication in the month immediately preceding that meeting, but at least ten (10) days before said meeting. The committee shall prepare and post at the principal office of this Corporation, at least forty-five (45) days before the membership meeting, a list

of nominations of Directors, selecting the same number of persons as nominees as the number whose terms expire at the next Annual Meeting; selecting at least one (1) nominee from each Parish which is the address and domicile of the member whose term will expire at the Annual Meeting, so as to ensure two (2) Board Members at all times from each of the five (5) Parishes named in Section 2(a), Article IV, of the By-Laws.

(e-1) Any fifteen (15) or more members acting together may make other nominations by Petition and file the Petition with the Secretary at the headquarters office of the Corporation, not less than twenty-five (25) days prior to the meeting of the members. The Secretary shall thereupon immediately post such nominations at the headquarters office of the Corporation, at which place the list of nominations made by the Nominating Committee has been posted. When nominations are made by Petition in addition to those made by the Nominating Committee as aforesaid, the Secretary shall immediately mail with the Notice of the Meeting, or separately, but at least ten (10) days prior to the date of the meeting of members, to each member a statement of the number of Directors to be elected and the names and addresses of all of the candidates, specifying separately the nominations made by the Committee of Nominations and also the nominations made by Petition. All nominations of members as candidate for the Board of Directors shall specify the Parish which the said candidate is to represent. All members present at the Annual Meeting at which Directors are to be elected, shall be entitled to vote on the Directors to be elected, regardless of the Parish which such Directors are to represent. Notwithstanding anything contained in this Section, failure to comply with any of the provisions of this Section shall not in any manner whatsoever affect the validity of any election for Directors.

Section 3. Tenure. The Board of Directors shall be divided into three (3) classes at the Annual Meeting of members to be held on June 2, 1979, the first class to be composed of four (4) members with the term of office to expire at the next succeeding Annual Meeting in 1980; the second class to be composed of three (3) members with the term of the Directors of the second class to expire at the second succeeding Annual Meeting in 1981, and the third class to be composed of three (3) members, and the term of office to expire of the third succeeding Annual Meeting in 1982. As nearly as possible, no two members shall be elected from the same parish in the same year. The implementation of this provision of the By-Laws shall not be such as to reduce the term of office of any Director serving at the time of its implementation. At each Annual Meeting following the classification herein provided, a number of Directors equal to the number of the class whose term expired at the time for such meeting shall be elected to hold office for a term of three (3) years, or until the third succeeding Annual Meeting after such election.

Section 4. Vacancies. Vacancies occurring in the Board of Directors shall be filled by a majority vote of the remaining Directors. Directors thus elected by the Board of Directors to

fill vacancies shall serve until the expiration of the term of the Director whose office the said member has been elected to fill or until his successor has been duly elected and qualified, provided, however, that any member elected by the Board of Directors to fill a vacancy on the said Board must be a resident of the same Parish as the Director causing the said vacancy.

Section 5. Compensation. Directors shall not receive any salary for their services, but by Resolution of the Board of Directors, a fixed fee and expenses of attendance may be allowed for attendance at each meeting of the Board and other meetings where Director's attendance is expected. Without approval of the members, except in an emergency situation, Directors and Officers shall not be employed by the Corporation in any capacity.

Section 6. Rules and Regulations. The Board of Directors shall have the power to make and adopt such rules and regulations, not inconsistent with the Articles of Incorporation or the By-Laws of the Corporation or the laws of the State of Louisiana as it may deem advisable for the management, administration, and regulation of the business and affairs of the Corporation.

Section 7. Accounting System and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system, which shall conform to such system of accounts as may from time to time be designated by the Rural Utilities Service of the United States of America. The Board of Directors may also, after the close of each fiscal year cause to be made a full and complete audit of the accounts, books, and financial condition of the Corporation as of the end of such fiscal year. Such audit reports shall be available to the members at the following Annual Meeting, upon request by each member.

Section 8. Removal of Directors by Members. Charges against a Director requesting his removal may be brought by filing such charges in writing with the Secretary in a Petition signed by at least ten percent (10%) of the members of the Corporation who request the removal of such Director by reason thereof. The Director, against whom such charges have been brought, shall be informed, in writing, of the charges at least forty-five (45) days prior to the meeting at which the charges are to be considered and said Director shall have an opportunity at the meeting to be heard in person or by counsel and shall be allowed to present evidence in respect to the charges and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Director shall be considered and voted upon at the next regular or Special Meeting of the members, as provided for in Louisiana R.S. 12:417, and any vacancy created by such removal shall be filled by vote of the members in accordance with the general nomination and election procedure provided for herein.

ARTICLE V

Meetings of Directors

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held without notice other than this By-Law, immediately after, and at the same place as the Annual meeting of the members. A regular meeting of the Board of Directors shall also be held monthly and at such time and place in the Parish of Lafayette, State of Louisiana, as the Board may provide by

resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

Section 2. Special Meeting. Special Meetings of the Board of Directors may be called by the President or by a majority of the Board of Directors. The person or persons authorized to call Special Meetings of the Board of Directors may fix the time and place which shall be in Lafayette Parish, Louisiana 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 shall be given at least two (2) days previous thereto, by written notice, delivered personally or mailed, to each Director at this last known address. 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 where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 4. 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 a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

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 VI

Officers

Section 1. Number. The officers of the Corporation shall be President, Vice President, Treasurer, and Secretary and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected by ballot, annually by the Board of Directors at the first meeting of the Board of Directors held after each Annual Meeting of the members. The officers of the Corporation shall be elected by and from the membership of the Board. 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 Annual Meeting of the members or until his successor shall have been elected and shall have qualified.

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 Corporation would be served thereby, provided that such officer shall be notified of his proposed removal at least five (5)

days before the date of said meeting.

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 preside at all meetings of the members and the Board of Directors.
- (b) shall sign all certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members, and shall countersign all checks and sign or countersign all bonds, notes, deeds of trust, mortgages and other evidences of indebtedness issued by the Corporation, and shall on behalf of the Corporation sign all contracts. However, the Board may designate some other officer to sign certificates of membership and where the amount involved is One Hundred Dollars (\$100.00) or less, to sign or countersign checks, notes, and other obligations and contracts of the Corporation.
- (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 restrictions upon the President, and shall perform such duties as from time to time may be assigned to him by the Board of Directors.

Section 7. Secretary. The Secretary shall:

- (a) keep the Minutes of meetings of the members and 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 By-Laws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Corporation and see that the seal of the Corporation is affixed to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provision of these By-Laws;
- (d) keep a register of the Post Office address of each member which shall be furnished to the Secretary by such member;
- (e) sign with the President or other authorized officer certificates of membership of the Corporation, the issue of which have been authorized by resolution of the Board of Directors, or by the members;
- (f) have general charge of the books of the Corporation in which a record of the members is kept; and
- (g) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 8. Treasurer. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Corporation;
- (b) receive and give receipts for money due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such bank or banks as the Board of Directors may select;
- (c) disburse the funds of the Corporation under the direction of the Board;
- (d) shall keep accurate books of accounts showing all receipts and disbursements of the Corporation, which at all times be open to the inspection of the members of the Board;
- (e) sign or countersign all checks, drafts, orders for money and receipts of the corporation;
- (f) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 9. Manager/Chief Executive Officer. The Board of Directors may appoint a Manager or Chief Executive Officer (CEO) who may be, but shall not be required to be a member of the Corporation. The manager shall perform such duties as the Board of Directors may from time to time require of him and shall have authority as the Board of Directors may from time to time vest in him.

Section 10. Bonds of Officers. The Board of Directors shall require the Treasurer or any other officer of the Corporation, charged with responsibility for the custody of any of its funds or property, to give a bond for the faithful discharge of his duties in such sum and with such surety of sureties as the Board of Directors shall determine. The Board of Directors, in its discretion, may also require any other officer, agent or employee of the Corporation to give such bonds in such amounts, with such surety or sureties, and containing such terms and conditions as it shall determine.

Section 11. Compensation. The powers, duties, and compensation of any officer, agents, and employees shall be fixed by the Board of Directors, subject to the provisions of these By-Laws with respect to the compensation for Directors and close relatives of Directors.

Section 12. Reports. The officers of the Corporation shall submit, at each Annual Meeting of the members, reports which shall cover the business of the Corporation for the previous fiscal year and shall show the condition of the Corporation at the close of such fiscal year.

ARTICLE VII

Executive Committee

The Board of Directors may select an Executive Committee which shall at all times be subject to the orders and control of the Board of Directors and which shall have authority to exercise any powers of the Board of Directors when the Board of Directors is

not in session. Such Executive Committee shall be composed of three members, all of whom shall be members of the Board of Directors.

ARTICLE VIII

Revenues and Receipts

Revenues of the Corporation for any fiscal year in excess of the amount thereof necessary:

- (a) to defray expenses of the Corporation and of the operation and maintenance of its facilities during such fiscal year;
- (b) to pay interest and principal obligations of the Corporation coming due in such fiscal year;
- (c) to finance or to provide a reserve for the financing of the construction or acquisition by the Corporation of additional facilities to the extent determined by the Board of Directors;
- (d) to provide a reasonable reserve for working capital;
- (e) to provide a reserve for the payment of indebtedness of the Corporation maturing more than one (1) year after the date of the incurrence of such indebtedness in an amount not less than the total of the interest and payments in respect thereof required to be made during the next following fiscal year; and
- (f) to provide a fund for education in cooperation and for the dissemination of information concerning the effective use of electric energy and other services make available by the Corporation;

shall, unless otherwise determined by vote of the Board of Directors, be distributed by the Corporation to its members as patronage refunds prorated in accordance with the patronage of the Corporation by the respective members paid for during such fiscal year. Nothing herein contained shall be construed to prohibit the payment by a Corporation of all or any part of its indebtedness prior to the date when the same shall become due.

Section 1. Interest or Dividends on Capital Prohibited. The Corporation shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its patrons.

Section 2. Patronage Capital in Connection with Furnishing Electric Energy. In the furnishing of electric energy, the Corporation's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Corporation. In order to induce patronage and to assure that the Corporation will operate on a non-profit basis, the Corporation is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operation costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operation costs and expenses at the moment of receipt

by the Corporation are received with the understanding that they are furnished by the patrons as capital. The Corporation is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Corporation shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Corporation corresponding amounts for capital.

All other amounts received by the Corporation from its operations (regardless of the source thereof and whether classified as operating or non-operating revenue [for purposes hereof, non-operating revenue shall not include revenue received from the sale of corporate assets]) in excess of costs and expenses shall, insofar as permitted by law, be used:

- (a) to offset any losses incurred during the current or any prior fiscal year; and
- (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as a part of the capital credit to the accounts of patrons, as herein provided.

The Board of Directors shall determine the method, basis, priority, and order of making such retirements, if any, for all amounts heretofore and hereafter furnished as capital. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Corporation shall equal at least forty percent (40%) of the total assets of the Corporation.

Section 3. Patronage Capital on Dissolution. In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a prorata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Corporation will not be impaired, thereby the capital then credited to patron's accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of making such retirements, if any, for all amounts heretofore and hereafter furnished as capital. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Corporation shall equal at least forty percent (40%) of the total assets of the Corporation.

Section 4. Power Supply Portion of Capital Credits. The Board of Directors shall have the power to adopt rules and regulations providing for the separate retirement of that portion ("Power Supply Portion") of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Corporation by an organization furnishing electric service to the Corporation. Such rules shall and/or do hereby:

- (a) establish a method for determining the power supply portion of the capital credited to each patron for each applicable fiscal year;
- (b) provide for separate identification on the books of

the Corporation of the power supply portion of capital credited to the Corporation's patrons;

- (c) provide for appropriate notifications to patrons with respect to the power supply portion of the capital credited to their respective accounts;
- (d) provide for the crediting to such accounts and/or the payment of all or any part thereof to the patrons in accordance with patronage;
- (e) preclude a general retirement of the power supply portion of capital credited to patrons for any fiscal year, or any portion thereof, prior to or in any manner different from the retirement of other capital credited to the patrons for the same year or of any capital credited to the patrons for any prior fiscal year;
- (f) provide that no actual payment shall be made to the patrons of the Corporation of the Capital Credits credited on the books of the Corporation to its members from the "Power Supply Portion" of the capital credited to their account until such time as the actual payment is made to the Corporation of the amount credited to the account of the Corporation by the power supplier so that it will be available for actual payment to the patrons of the Corporation;
- (g) provide that the amounts credited or received from the power supplier and credited to the patrons of the Corporation as provided in the By-Laws shall in no event be subject to the provisions of Article VIII, Section 6, of the By-Laws providing for payment of the accrued Capital Credits to the estate of the deceased, heirs, or legal representatives of the deceased patron.

Section 5. Assignment. Capital credited to the account of each patron shall be assignable only on the books of the Corporation pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or in a part of such patron's premises served by the Corporation unless the Board of Directors, acting under policies of general application, shall determine otherwise. However, no assignment shall vest in the assignee any greater rights than those held by assignor. Such assignment shall at all times be subject to the Corporation's prior lien for any unpaid charges or amounts due by assignor to the Corporation.

Section 6. Estate Settlements. Notwithstanding any other provision of these By-Laws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these By-Laws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, may deem appropriate in the Board of Directors sole discretion, provided, however, that the financial condition of the Corporation will not be impaired thereby. The Board of Directors shall determine the method, basis, priority, and order of making such retirements. If any, for all amounts heretofore and hereafter furnished as capital. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Corporation shall equal at least forty percent (40%)

of the total assets of the Corporation

Section 7. Non-Eligible Members. Members of the Corporation who have been members for less than one (1) year shall not have allocated capital credits to their account.

Section 8. Non-Operating Margins. All non-operating margins, excluding margins as may result from the sale of corporate assets, shall be allocated and credited to the patrons on the basis of patronage credits (determined by actual patronage since December 31, 1989) assigned or to be assigned in the future to each patron. The percentage of said margins to be paid to the patron each year, if any, shall be determined by the Board of Directors of this Corporation based upon the financial condition of the Corporation not being impaired thereby. The Board of Directors shall determine the method, basis, priority and order of making such retirements, if any, for all amounts heretofore and hereafter furnished as capital. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Corporation shall equal at least forty percent (40%) of the total assets of the Corporation.

Section 9. Patronage Refunds in Connection with Furnishing Other Services. In the event that the Corporation should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law be prorated annually on a patronage basis and returned to the Corporation patrons as provided for in these By-Laws.

Section 10. Patrons Debts to Corporation. The Corporation, before retiring any capital credited to any patron's account, shall deduct therefrom any amount owing by such patron to the Corporation, together with interest thereon at the Louisiana legal rate on judgments in effect when such amount became overdue, compounded annually.

Section 11. Unrelated Revenue. Notwithstanding any other provision of these By-Laws, any and all revenue received by the Corporation as a result of membership in or ownership of organizations described in Article XIII, Section 6, shall not be subject to the provisions of this Article VIII.

ARTICLE IX

Disposition of Property

Section 1. The Corporation may not sell, lease, or otherwise dispose of all or any substantial portion of its property unless such sale, lease, or other disposition is authorized at a duly held meeting of the members thereof by the affirmative vote of not less than a two-thirds (2/3) majority of all of the members of the Corporation. However, the Board of Directors of the Corporation may, sell, lease, or otherwise dispose of all or a substantial portion of the Corporation's property to another cooperative (authorized to do business in this State pursuant of Louisiana R.S. 12:401 through 12:430) but only if there is an affirmative vote of a majority of the members of the Corporation who are present at a

duly held meeting of members. The notice of any such proposed sale, lease, or other disposition shall be contained in the Notice of the meeting. Any provisions of the Articles of Incorporation or By-Laws of the Corporation to the contrary notwithstanding, the Board of Directors of the Corporation, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds 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 shall determine, to secure any indebtedness of the Corporation to the United States of America or any instrumentality or agency, thereof, to any bank, insurance company, or other lending institution.

Section 2. In addition to the foregoing, the Corporation shall not sell, mortgage, lease, and/or otherwise dispose of all or any substantial portion of the assets of the Corporation to an investor-owned utility and/or any "person" as defined under Louisiana R.S. 12:402(c), unless the following is fully complied with:

- (a) any sale shall be based upon:
 - (a-1) the current fair market value of the assets and business of the Corporation established by two independent and expert appraisers and said value shall be at least the average of the values as determined by the experts; or
 - (a-2) the earning ability of the Corporation, whichever is greater;
 - (a-3) the foregoing Section 2(a)(1) and (2) notwithstanding, at no time shall the sale price be less than the undepreciated replacement cost new of all corporate assets plus four and one-half (4-1/2) times the gross annualized revenues without adjustments;
 - (a-4) In addition to the foregoing, there shall be a cash payment to the Corporation of the total net deficit due by the Corporation to Cajun Electric Power Cooperative, Inc. and /or Louisiana Generating, Inc. which deficit or amount due is the current and future amounts due by the Corporation as a result of or arising out of the All Power Requirements Contract entered into between the Corporation and Cajun Electric Power Cooperative, Inc. and/or Louisiana Generating, Inc. Said net deficit due is to be determined by two independent and expert appraisers and said deficit value shall be at least the average of the values established for said deficit as determined between the experts.
- (b) No sale, mortgage, lease, or other disposition proposal of all or a substantial portion of the assets of the Corporation shall be presented to the membership of the Corporation until the Board of Directors of the Corporation has reviewed any such proposal and certified to the membership by a vote of two-thirds (2/3) of the Board of Directors that in their good faith opinion, exercising their best business judgment and considering among all other relevant factors and economic-related matter, that the proposal made is currently and is in the foreseeable future in the best interest of the members and that the same is fair and not procured by fraud, misrepresentation, or insider

self-dealing.

- (c) Any proposal for the sale, mortgage, lease, and/or other disposition of all or substantially all of the assets of the Corporation shall provide that the total revenues to be paid shall be paid directly to the Corporation in cash.
- (d) Any acquiring party (person) shall pay (in addition to that otherwise required to be paid under the provisions of this Article) to the members of this Corporation 100% of each members capital credit account in cash in a lump sum and without discount.
- (e) Any transfer of asset proposal, as above described, shall also contain the firm obligation to retain the Corporation's employees as employees, without discrimination, and upon terms (including wages, salaries, fringe benefits, rank, job title, and place of employment) as set by the Board of Directors, at least equal to those enjoyed by Corporation's employees at the time of the sale, mortgage, lease, and/or other disposal of the Corporation. All benefits paid to or on behalf of Board Members will likewise continue to be paid to or on behalf of all Board Members who at the time of transfer have served as such for ten (10) years.
- (f) In addition to the foregoing, any transfer proposal regarding all or a substantial portion of the assets of the Corporation shall provide for the continuation of all retirement benefits which are presently being paid to the Corporation's retirees and/or have been set up for payment on behalf of future retirees.
- (g) Any transferee, upon transfer, shall be obligated to provide to the members of the Corporation rates and other fees and charges along with service at least equal to the rates, charges, and services provided by the Corporation, unless the acquiring party (person) has better rates, fees, and/or services than the Corporation and in which case the acquiring person shall provide and/or furnish the better of the two (2) to the Corporation consumers.
- (h) Anything herein to the contrary notwithstanding, it is understood that any agreement submitted to the membership for approval for transfer of sale, merger, or other disposal, or all, or substantially all of the assets of the Corporation, shall only take place after the Rural Utilities Service has, in writing, authorized the transfer of all, or substantially all of the assets of the Corporation on the terms and conditions to be submitted to the membership.

Section 3. If any section, sub-paragraph, or portions of Article IX, ("Disposition of Property") hereof, should be declared invalid by a final court of law, then and in that event, the remaining sections, sub-paragraphs, and/or portions of Article IX shall remain in full force and effect.

ARTICLE X

Waiver of Notice

Whenever any notice whatever is required to be given under the provisions of these By-Laws or under the provisions of the Articles of Incorporation or under the laws of the State of Louisiana, waiver thereof in writing, signed by the person or

persons entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a member or Director at a meeting shall constitute a waiver of notice of the meeting, unless the member attends for the purpose of objecting to the transaction of business because the meeting was not lawfully called and convened.

ARTICLE XI

Fiscal Year

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

ARTICLE XII

Seal

The corporate seal of the Corporation shall consist of a flat faced circular die with the name of the Corporation and place of its domicile cut or engraved thereon.

ARTICLE XIII

Miscellaneous

Section 1. Membership in Other Organizations. The Corporation shall not become a member of any other organization inconsistent with the objectives and purposes of this Corporation, without an affirmative vote of the members at a meeting called as provided in these By-Laws, and the notice of said meeting shall specify that action is to be taken upon such proposed membership as an item of business; provided, however, that the Board of Directors may accept, on behalf of the Corporation, membership in other organizations engaged in rural electrification on a non-profit basis or engaged in the advancement, and promotion of the interest of rural electrification.

Section 2. Board of Directors Authorizations. Notwithstanding anything herein to the contrary, the Board of Directors may designate any employee, or employees, to enter into contracts and to sign checks and drafts and other documents, for and on behalf and in the name of the Corporation.

Section 3. Changes in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety days prior to the date upon which any proposed change in the rates charged by the Corporation for electric energy becomes effective.

Section 4. Indemnification of Officers, Directors, Employees, and Agents. The Corporation does hereby indemnify any person who was or is a party, or is threatened to be made a party, to any action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including any action by or in the right of the Corporation) by reason of the fact that he is or was a Director, Officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Officer, employee, or agent of another

non-profit, cooperative, business, or foreign corporation, partnership, joint venture, or other enterprise, against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit, or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; provided that in case of actions by or in the right of the Corporation, the indemnity shall be limited to expenses (including attorney's fees), and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the action to conclusion) actually and reasonably incurred in connection with the defense or settlement of such action and no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless, and only to the extent that the court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, he is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 5. Rounding Up of Bills

- (a) The Corporation shall be authorized, on each monthly bill to a consumer, (unless a consumer notifies the Corporation in writing of his, her or its desire not to participate in the program), to round the amount billed thereon up, to the nearest one dollar increment, and to thereafter collect from each said consumer the rounded up amount as reflected on each bill;
- (b) The Board of Directors of the Corporation shall be further authorized to establish the SLEMCO Electric Foundation as an entity to receive and administer the funds generated by rounded up bills;
- (c) All funds generated by the amount each bill is rounded up will be donated by the Corporation to the SLEMCO Electric Foundation and thereafter deposited into a special trust account to be administered by the SLEMCO Electric Foundation.
- (d) All of the funds deposited into the trust account, as above described, will be thereafter used for the purpose of making charitable contributions to various persons located throughout the Corporation's service area, and to pay for all organizational and continuing administrative costs incurred;
- (e) All decisions regarding the amount and designation of any donations made out of the special trust account shall be made by the governing body of the SLEMCO Electric Foundation.

Section 6. Membership, or Ownership of Stock, in Other Organizations. The provisions of Article XIII, Section 1, to the contrary notwithstanding, the Board of Directors of the Corporation is authorized, on behalf of the membership, to join, establish, acquire, and/or acquire a partial interest in any non-profit or for-profit organization, which the Board of Directors of the Corporation deems prudent and necessary to represent and/or advance the interests of the Corporation and its membership.

Section 7. By-Laws a Contract. The patrons of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Corporation and each patron, and both the Corporation and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the By-Laws shall be called to the attention of each patron of the Corporation by posting in a conspicuous place in the Corporation's office.

Section 8. Savings Clause. If any part of these By-Laws should be declared invalid by a final court of law, then and in that event, the remaining Articles, Sections, sub-paragraphs, and other portions of these By-Laws shall remain in full force and effect.

ARTICLE XIV

Amendments

The members of the Corporation are authorized to and have the right to alter, amend, and/or repeal the By-Laws of the Corporation and the Board of Directors of the Corporation also has the right to and is authorized to alter, amend, and/or repeal the By-Laws of the Corporation except those By-Laws which the law dictates can only be altered, amended and/or repealed by the Members of the Corporation

These By-Laws may be altered, amended or repealed as set forth in the preceding paragraph at any regular or Special Meeting of the Members of the Corporation or its Board of Directors as the case may be provided that the notice of such a meeting shall contain a copy of the proposed amendment, alterations or repeal to be considered at the meeting.

Copies of the By-Laws are available upon request by members at the Corporation's headquarters office.

**SOUTHWEST LOUISIANA
ELECTRIC MEMBERSHIP
CORPORATION**

Revised 08/19