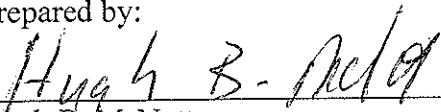


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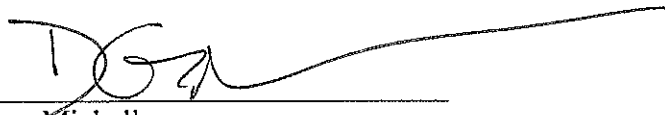


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PO Box 5437
Valdosta, Georgia 31603-5437

Counsel for Plaintiffs

Consented to By:



Greg Michell

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Atlanta, Georgia 30309

Counsel for Tommy A. Rosser, Sr.

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement") is entered into by and between Gordon Clyatt ("Clyatt"), Ronald Sellars ("Sellars"), C. Seaborn Roddenbery ("Roddenberry"), Jerome J. Ellis ("Ellis"), Roy Brock ("R. Brock") (collectively "Releasers") and Grady Electric Membership Corporation ("Grady EMC"), Dewey Brock, Jr. ("D. Brock"), Caylor Ouzts ("Ouzts"), Lamar Carlton ("Carlton"), James Freeman ("Freeman"), Lamar Strickland ("Strickland"), Robert E. Lee ("Lee"), James Lewis ("Lewis"), Thomas A. Rosser, Jr. ("Rosser, Jr."), and Thomas A. Rosser, Sr. ("Rosser, Sr.") (collectively "Releasees") on the other hand. Releasers and Releasees are, collectively, the "Parties" or individually a "Party." For and in consideration of the mutual covenants described below, the Parties agree as follows:

RECITALS

WHEREAS, on October 07, 2014, Releasers filed their Complaint against Releasees in the Superior Court of Grady County, Georgia, asserting claims against Releasees. The lawsuit is styled Gordon Clyatt, et al. v. Grady Electric Membership Corporation, et al., Civil Action File No. 14-V-242, Superior Court of Grady County, Georgia (the "Litigation"). The Complaint was amended twice; and

WHEREAS, each of the Parties agree that the execution of this Settlement Agreement is not to be construed as an admission of liability on the part of any Party hereto, each of whom expressly denies any liability, responsibility or culpability to the other. Each Party acknowledges that all of the other Parties to this Agreement have agreed to settle and compromise this dispute in order to avoid litigation expenses and risks, but without any admission or acknowledgement that any of the Parties are entitled to any relief whatsoever as a matter of law or equity. The Parties agree the Court shall enter the Consent Order attached hereto as Exhibit A to finalize the Litigation.

WHEREAS, the Parties desire to compromise and to settle any and all claims Releasers may have against the Releasees according to the following terms and conditions:

1. Rosser, Sr. shall resign effective upon the entry of the Consent Order. Grady EMC through its Board of Directors and Rosser, Sr. shall negotiate the terms of the termination of his employment contract to include a buyout of the remainder of his employment contract. Other than his membership in Grady EMC and his rights associated therewith, Rosser, Sr. shall no longer have any affiliation with Grady EMC or any entities owned, wholly or partially, by Grady EMC. Following his resignation, Rosser, Sr. shall no longer receive any income from Grady EMC or its affiliates other than the buyout of his contract and any benefits to which he is otherwise entitled as a result of his past employment or membership, including but not limited to his retirement and 401(k) benefits.

2. In accordance with Grady EMC Bylaw Section 4.01, Grady EMC's Board of Directors shall create a Special Committee of three (3) persons for the purpose of serving in an advisory or recommendatory capacity to the Board.

(a) The Special Committee shall be formed as follows: the Releasors shall choose one (1) member, not to include any named Plaintiff or Johnny Bell; Grady EMC, through its officers and directors shall choose one (1) member, not to include Rosser, Sr, or any officer or director of Grady EMC; these two (2) persons shall together choose the third member of the Special Committee.

(b) The Special Committee shall serve without compensation unless Grady EMC and the Releasors later mutually agree to share the cost of compensating the three Special Committee members.

(c) All three (3) members of the Special Committee shall be members in good standing of Grady EMC.

(d) The Special Committee shall be authorized to study: (i) the property owned by Sugarcane, LLC, including what can or should be done with it; (ii) patronage capital, including whether to ask the Board to modify its current practices with respect to patronage capital; (iii) what policies on travel and/or issuing company vehicles to officers, directors or employees of Grady EMC the Board should consider; (iv) term limits for Board of Directors of Grady EMC; (v) whether to amend the bylaws of Grady EMC regarding the manner in which voting for directors is managed, including absentee voting, balloting by mail, and potential third-party management of Grady EMC elections.

(e) The Special Committee shall be appointed on or before July 1, 2016. Their work, including requesting information, conducting interviews and reviewing documents shall be done together such that no member of the Special Committee is acting alone. If the Special Committee members cannot agree on the scope of their work, the Special Litigation Committee shall resolve the issue.

(f) The Special Committee will present their report to Grady EMC's Board of Directors and the Releasors at the September, 2016 Grady EMC Board of Directors meeting. The Special Committee may also present their report at the annual meeting in accordance with Grady EMC's Bylaw 3.07(4), but there shall be no vote on the Committee's report at the meeting. However, upon consideration of any report of the Special Committee, the Board may make policy changes, amend Grady EMC's bylaws, or present amendments of the bylaws for consideration of the Grady EMC membership.

(g) The Special Committee shall be authorized to consult with Marlan Nichols, CPA in connection with its work.

3. Grady EMC has provided the proposed bylaw regarding absentee voting to the Releasors. The Releasors shall be authorized to provide comments to the Board of Directors of Grady EMC regarding the proposed bylaw amendment.

4. Within thirty (30) days after submission of the affidavits of Releasors, Grady EMC shall furnish to the Releasors the audited financial statements for as many years as it has them in its possession, custody, or control. The Releasors shall execute an affidavit as required by Georgia law in a form to be mutually agreed upon and consistent with Georgia law. If the

Parties cannot agree on a form for the affidavit, the Special Litigation Committee shall resolve the issue.

5. Marlan Nichols, CPA shall be available for a meeting with the Releasers and/or their counsel. Mr. Nichols shall be entitled to have counsel for Grady EMC present. The Releasers shall be entitled to discuss with Mr. Nichols any issues relating to the financial statements of Grady EMC and the topics listed in paragraph 2(d)(iv) above.

6. Within thirty (30) days of entry of the Consent Order, the Grady EMC Board of Directors shall adopt a policy prohibiting any loan from Grady EMC to any officer or director of Grady EMC.

7. Within thirty (30) days of entry of the Consent Order, the Grady EMC Board of Directors shall adopt a policy prohibiting employees of Grady EMC from performing work on personal vehicles of employees, officers and/or directors of Grady EMC and which prohibits any employee from storing personal vehicles on Grady EMC property. This policy shall not prohibit *de minimis* use of Grady EMC property by employees, e.g. trailering a boat or utility trailer and parking such at Grady EMC during the work day.

8. Within thirty (30) days of entry of the Consent Order, the Grady EMC Board of Directors shall adopt a policy prohibiting any Grady EMC Director candidate from campaigning for his/her election on property owned by Grady EMC.

9. Releasees agree to cause a check to be made payable to Coleman Talley, LLP in the amount of Seventy Five Thousand Dollars and no/100 (\$75,000.00). The check for this amount will be delivered to Releasers' counsel, George T. Talley and Edward F. Preston, Coleman Talley, LLP, P.O. Box 5437, Valdosta, Georgia 31603-5437 within ten (10) business days of the entry of the Consent Order. Except as stated herein, all Parties to bear their own attorneys' fees and expenses.

10. Upon entry of the Consent Order, the Litigation shall be dismissed with prejudice.

11. The Parties, acting for themselves and on behalf of their heirs, representatives, successors, assigns, agents, affiliates, and predecessors in interest do release, acquit and forever discharge one another, and each of their respective officers, stockholders, directors, corporate members or parents, self-insured indemnity providers, attorneys, agents, servants and employees, and insurers, as well as the predecessors, heirs, successors, assigns, representatives, agents and affiliates of each of them (and also any other person, persons, partnership, firms or corporations charged or chargeable with responsibility or liability) from any and all past, present, or future claims, demands, obligations, damages, fees, costs, expenses (including attorneys' fees), actions and causes of action, which the parties now have, ever had or may hereafter have, arising from any act, omission, or transaction which occurred prior to the date of this Agreement, or which relates to any of the claims asserted in the Complaint and all amendments thereto. However, this provision does not release any right of the Plaintiffs to claim or receive their own, individual patronage capital as provided by the Bylaws of the Grady Electrical Membership Corporation, or any liability (if any) on the part of the named Plaintiffs for any unpaid electrical bills.

12. The Parties agree that none of them shall be considered the author of this Agreement for the purposes of construction.

13. Releasors warrant and represent that they have not filed any claim, complaint, or other action, with the exception of the Litigation, against the Releasees, with any court, agency, tribunal, or commission.

14. Releasors warrant and represent that they have not assigned or in any way transferred or conveyed all or any portion of the claims covered by this Agreement.

15. The Parties represent to one another that they have the power and are duly authorized to enter into this Agreement with regard to all matters described herein upon the terms set forth and that the persons executing this Agreement are the authorized agents of the respective Parties for the purposes of executing this Agreement.

16. This Agreement may not be changed, modified, amended, or altered except by a further written agreement signed by the Parties hereto.

17. Neither the waiver by either of the Parties of a breach or a default of any of the provisions of this Agreement, nor the failure of either of the Parties, on one or more occasions, to enforce any of the provision of this Agreement, shall thereafter be construed as a waiver of any subsequent breach or default of any of the provisions of this Agreement.

18. The Parties agree that this Agreement is governed by and construed in accordance with the laws of the State of Georgia, without regard to conflict of law principles. The Parties further agree that venue for any dispute arising out of this Agreement shall lie exclusively in the applicable state and federal courts of Grady County, Georgia.

19. Each of the Parties agree to do all such things, take all such actions, and to make, execute, and deliver such other documents and instruments as shall be reasonably requested by any other Party to carry out the provisions, intent, and purposes of this Agreement.

20. Each Party has received independent legal advice as to the nature and obligations of this Agreement, and each has been fully informed of its, his or her respective legal rights, obligations and liabilities as set forth therein. Each Party has entered into this Agreement freely and voluntarily and of its, his or her own free will and accord without any threat or force or duress in any form or nature whatsoever. In the event of an ambiguity or question of intent, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any Party hereto by virtue of the authorship of any of the provisions of this Agreement.

21. No Party hereto makes any representation as to the tax consequences of the payments made pursuant to this Agreement. Payees under this Agreement shall be fully responsible for the payment of taxes due, if any, as a result of their receipt of a Payment pursuant to this Agreement.

22. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or

provisions shall not be affected thereby, and said illegal or invalid part, term, or provision shall be deemed not a part of this Agreement.

23. This Agreement constitutes the complete agreement and understanding of the Parties hereto, including their attorneys, with respect to the subject matter hereto. The Parties hereto represent and warrant that they have not relied upon any, and there are no, written or oral statements, promises, representations, conditions, inducements or agreements other than those expressed in this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their heirs, legal representatives, successors, and assigns.

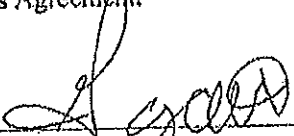
24. The representations and warranties contained herein or in any other document delivered pursuant hereto or in connection herewith shall not be extinguished upon execution hereof, but shall survive the execution and may be asserted without limitation, except as otherwise provided by law.

25. The Parties agree that there are no third party beneficiaries to this Agreement.

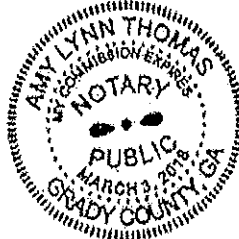
26. Releasors acknowledge that Releasees deny any wrongful or unlawful conduct or practice of any kind. Releasors further acknowledge that this Agreement is in no way an admission or evidence of liability, guilt, or wrongdoing of any kind on the part of the Releasees, and that this Agreement cannot and shall not be used as evidence of such in any judicial or quasi-judicial forums such as administrative, mediation or arbitration forums.

27. This Agreement may be executed in counterparts which, taken together, shall constitute one and the same instrument. Fax signatures and PDF files of original signatures shall be deemed as effective as original signatures for all purposes.

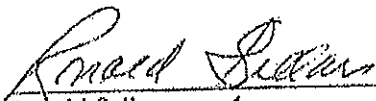
IN WITNESS WHEREOF, the undersigned have signed and executed this Agreement on the dates set forth below as an expression of their intent to be bound by the foregoing terms of this Agreement.



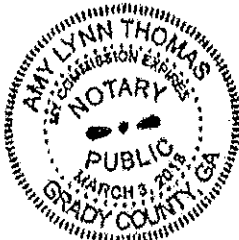
Gordon Clyatt
Date 5-2-16



Amy Lynn Thomas
Grady Co GA EXP 3-3-2018



Ronald Sellars
Date 5/2/16

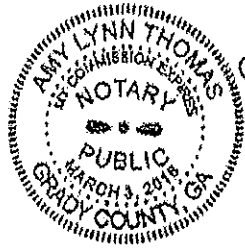


Amy Lynn Thomas
Grady Co GA EXP 3-3-18

C. Seaborn Roddenberry

C. Seaborn Roddenberry

Date 5-2-16

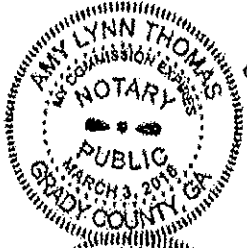


Amy Lynn Thomas
Grady Co GA
Exp 3-3-18

Jerome J. Tillis

Jerome J. Tillis

Date 5-2-16

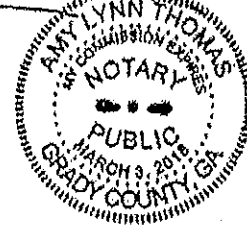


Amy Lynn Thomas
Grady Co GA
Exp 3-3-2018

Roy Brock

Roy Brock

Date 5-2-16



Amy Lynn Thomas
Grady Co GA
Exp 3-3-2018

On Behalf of Grady Electric Membership Corporation

Date _____

Dewey Brock, Jr.

Date _____

Caylor Ouzts

Date _____

Lamar Carlton

Date _____

Jerome J. Ellis

Date _____

Roy Brock

Date _____

Lamar Carlton

On Behalf of Grady Electric Membership Corporation

Date 11-28-16

Dewey Brock, Jr.

Dewey Brock, Jr.

Date 4-28-16

Caylor Ouzts

Caylor Ouzts

Date 4-28-16

Lamar Carlton

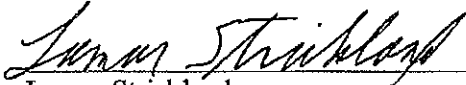
Lamar Carlton

Date 4-28-16

James F. Freeman

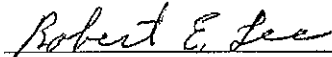
James Freeman

Date 4-28-16



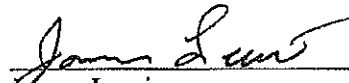
Lamar Strickland

Date 4-28-16



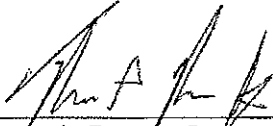
Robert E. Lee

Date 4-28-16



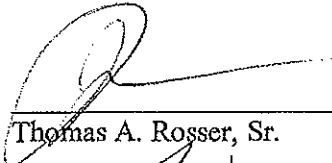
James Lewis

Date 4-28-14



Thomas A. Rosser, Jr.

Date 4-28-16



Thomas A. Rosser, Sr.

Date 5/2/16