

**DGECOMBE-MARTIN COUNTY
ELECTRIC MEMBERSHIP CORPORATION**

TARBORO, NORTH CAROLINA

The aim of Edgecombe-Martin County Electric Membership Corporation (hereinafter called the "Cooperative") is to make electric energy available to its members at the lowest cost consistent with sound economy and good management.

**BYLAWS
ARTICLE I
MEMBERSHIP**

SECTION 1.01 Eligibility Any natural person, firm, association, corporation, business trust, partnership, or body politic (each hereinafter referred to as "person," "applicant," "him," or "his") shall be eligible to become a member of, and at one or more premises owned or directly occupied or used by him, to receive electric service from, Edgecombe-Martin County Electric Membership Corporation (hereinafter called the "Cooperative"). No person shall hold more than one membership in the Cooperative. The masculine or feminine gender as used herein shall equally include each other and the neuter. (12/20/84)

Section 1.02 Application for Membership; Renewal of Prior Application

Application for membership—wherein the applicant shall agree to purchase electric power and energy from the Cooperative and to be bound by and to comply with all the other provisions of the Cooperative's Articles of Incorporation, bylaws, and all rules, regulations, and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement being hereinafter called "membership obligations")—shall be made in writing on such form as is provided therefor by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Cooperative. The membership application shall be accompanied by the membership fee provided for in Section 1.03 (together with any service security deposit, service connection fee or contribution in-aid-of-construction that may be required by the Cooperative,) which fee (and such security deposit, service connection fee or contribution in-aid-of-construction, if any) shall be refunded in the event the application is not approved.

Any former member of the Cooperative, by the sole act of paying a new membership fee and any outstanding account, plus accrued interest thereon at eight percent (8%) per annum owed by him to the Cooperative (together with any service security deposit, service connection fee or contribution in-aid-of-construction that may be required by the Cooperative), may renew and reactivate any prior approved application for membership to the same effect as though the application had been newly made on the date of such payment. (11/08/84)

Section 1.03 Membership Fee; Service Connection Fee The membership fee shall be ten (\$10) dollars, which shall entitle the member to one service connection. A service

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connection fee of ten (\$10) dollars and other deposits and fees required by the Cooperative shall be paid by the member for each additional service connection. (11/15/79)

Section 1.04 Joint Membership A husband and wife, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a member, convert such membership into a joint membership. The words "member," "applicant," "person," "his," and "him," as used in these bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, responsibilities and liabilities of membership shall apply equally 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, a joint waiver of notice of the meeting, and a revocation of any proxy executed by either or both;
- (b) the vote of, or proxy executed by, either or both shall constitute, respectively, one joint vote or proxy: **PROVIDED**, that if both be present but in disagreement on such vote, each shall cast only one-half (1/2) vote; **AND PROVIDED FURTHER**, that if each executes a separate proxy, the one most recently executed shall revoke the former and shall constitute their sole, joint proxy; or, if each executes a separate proxy on the same date, the holder or holders thereof shall cast only one-half (1/2) vote in respect of each;
- (c) notice to, or waiver of notice signed or otherwise effected 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; and
- (e) each, but not both concurrently, shall be eligible to serve as an officer or director of the Cooperative, but only if both meet the qualifications required therefor.

Section 1.05 Effect of Death, Legal Separation or Divorce Upon 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 each membership had never been joint: **PROVIDED**, that the estate of the deceased shall not be released from any debt due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joint: **PROVIDED**, that the other spouse shall not be released from any debts due the Cooperative.

Section 1.06 Acceptance Into Membership Upon complying with the requirements set forth in Section 1.02, any applicant shall automatically be accepted into membership in, and become eligible to receive electric service from, the

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Cooperative, unless the Board of Directors shall determine that such applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be rejected for other good cause: **PROVIDED**, that any person whose application, for sixty (60) days or longer, has been submitted to but not approved by the Board of Directors, may, by filing written request therefor with the Cooperative at least thirty (30) days prior to the next meeting of the members, have his application submitted to and approved or disapproved by the vote of the members at such meeting, at which the applicant shall be entitled to be present and heard.

Section 1.07 Purchase of Electric Power and Energy The Cooperative shall use its best efforts to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy purchased for use on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Directors may in writing waive such requirement; and shall pay therefore at the times, and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors, and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Production or use of electric energy on such premises, regardless of the source thereof, by means of facilities which may be interconnected with Cooperative facilities, shall be subject to appropriate regulations as shall be fixed from time to time by the Cooperative. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. When the member has more than one service connection from the Cooperative, any payment for service to him by the Cooperative shall be deemed, pro forma, to be allocated and credited on a pro rata basis to his outstanding accounts for all such service connections, notwithstanding that the Cooperative's actual accounting procedures do not reflect such proration.

Section 1.08 Excess Payments to be Credited as Member-Furnished Capital All amounts paid for electric service in excess of the cost thereof shall be furnished by members as capital, and each member shall be credited with the capital so furnished as provided in Article IX of these bylaws.

Section 1.09 Wiring of Premises: Responsibility for Meter Tampering or Bypassing and for Damage to Cooperative Properties: Cooperative's Responsibility for Overcharge of Services 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 North Carolina Fire Insurance Underwriters Association, the National Electrical Code, and applicable state code or local government ordinances, and of the Cooperative. Each member shall be responsible for—and shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting from any defect in or improper use or maintenance of—such premises and all wiring and apparatus connected thereto or used thereon. Each member shall make available to the Cooperative a suitable site, as determined

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by the Cooperative, whereon to place the Cooperative's physical facilities for the furnishing and metering of electric service, and shall permit the Cooperative's authorized employees, agents, and independent contractors to have access thereto for inspection, maintenance, replacement, relocation, or repair thereof at any reasonable times. As part of the consideration for such service, each member shall be the Cooperative's bailee of such facilities and shall accordingly desist from interfering with, impairing the operation of or causing damage to such facilities, and shall use his best efforts to prevent others from so doing. 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 could have prevented such, the member shall indemnify the Cooperative and any other person against death, injury, loss or damage resulting therefrom, including but not limited to the Cooperative's cost of repairing, replacing or relocating any such facilities and its loss, if any, of revenues resulting from the failure or defective functioning of its metering equipment. In no event shall the responsibility of the Cooperative extend beyond the point at which its service wires are attached to the meter loop provided for measuring electricity used on such premises, except that the Cooperative shall, in accordance with and as limited by its applicable service rules and regulations, indemnify the member for any overcharges for services that may result from a malfunctioning of its metering equipment or other error on the part of the Cooperative or its staff. (11/08/84)

Section 1.10 Member to Grant Easement to Cooperative If Required Each member shall, upon being requested so to do by the Cooperative, execute and deliver, or secure the execution and delivery, to the Cooperative grants of easement or right-of-way over, under and on such lands owned or leased by the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the furnishing of electric service to him or other members for the construction, operation, maintenance, or relocation of the Cooperative's electric facilities.

ARTICLE II

MEMBERSHIP SUSPENSION AND TERMINATION

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

Section 2.02 Termination by Expulsion; Renewed Membership Upon the failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, he may, without further notice, but only after due hearing if such is requested by him, be expelled by the affirmative votes of not less than a majority of the directors in office at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting, which may vote approval on such expulsion or disapproval thereof, in which latter event such person's membership shall be reinstated retroactively to the date of his suspension. After any finally effective expulsion of a member, he may not again become a member except upon new application therefor duly approved as provided in Section 1.06. The Board of Directors, upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

Section 2.03 Termination by Withdrawal or Resignation Except where covered by contract, a member may withdraw from membership upon generally applicable conditions as the Board of Directors shall prescribe and upon either (a) ceasing to (or, with the approval of the Board of Directors, resigning his membership in favor of a new applicant who also shall) own or directly occupy or use all premises being furnished electric service pursuant to his membership, or (b) except when the Board of Directors specifically waives such condition, abandoning totally and permanently the use of central station electric service on such premises.

Section 2.04 Termination by Death or Cessation of Existence; Continuation of Membership in a Remaining Partner The death of an individual human member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: **PROVIDED**, that upon the dissolution for any reason of a partnership, or upon the withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining partner or partners, including any

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additional partners, as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership.

Section 2.05 Effect of Termination Upon the termination in any manner of a person's membership, he or his estate as the case may be, shall be entitled to refund of his membership fee and service security deposits he has paid the Cooperative, less any amounts due the Cooperative; but neither he nor his estate, as the case may be, shall be released from any debts or other obligations then remaining due the Cooperative. Notwithstanding the suspension or expulsion of a member, as provided for in Section 2.01 and 2.02, such suspension or expulsion shall not, unless the Board of Directors shall expressly so elect, constitute such release of such person from his membership obligations as to entitle him to purchase from any other person any other central station electric power and energy for use at the premises to which such service has therefore been furnished by the Cooperative pursuant to such membership. (04/23/92)

Section 2.06 Acknowledgment of Membership Termination; Acceptance of Members Retroactively Upon termination of a person's membership for any reason, the Board of Directors, as soon as practicable after such termination is made known to it, shall by appropriate resolution formally acknowledge such termination effective as of the date on which the Cooperative ceased furnishing electrical service to such person. Upon discovery that the Cooperative has been furnishing electric service to any person other than a member, it shall cease furnishing such service unless such person applies for, and the Board of Directors approves, membership retroactively to the date on which such person first began receiving such service, in which event the Cooperative, to the extent practicable, shall correct its membership records accordingly.

ARTICLE III

MEETING 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 third Saturday of the month of March each year, at such place in one of the counties in North Carolina in which the Cooperative serves, and beginning at such hour, as the Board of Directors shall from year to year fix: **PROVIDED**; that for good cause 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 established for such meeting in this Section. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for and to encourage member attendance at the annual meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

Section 3.02 Special Meetings A special meeting of the members may be called by resolution of the Board of Directors upon written request signed by at least five (5) directors or by not less than one and one-half (1-1/2%) per centum of all the members, plus three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties named in Section 3.01, on such date, and beginning at such hour as may be designated by the Directors.

Section 3.03 Notice of Member Meetings Written or printed notice stating the place, day and hour of the meeting, and, in the case of a special meeting or of an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall, except as provided in Article X, be delivered to each member not less than seven (7) days nor more than twenty (20) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary or, upon the Secretary's default in his duty, by those calling it in the case of a special meeting or by any other director in the case of an annual meeting whose time, place and date have actually been fixed by the Board of Directors. No matter the carrying of which, as provided by law, requires the affirmative votes of at least a clear majority of all the Cooperative's members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the Cooperative's records, with postage thereon prepaid at least seven (7) days prior to the meeting date. In making such computation, the date of the meeting shall not be counted. The incidental failure of any member to receive such notice shall not invalidate any action which may be taken by the members at any such meeting, and the attendance in person of a member at any meeting of the members shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

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Section 3.04 Quorum Attendance in person of at least one and one-half (1-1/2%) per centum of the total members of the Cooperative shall be required for the transaction of business at any meeting of the members. If less than a quorum is present, a majority of those present may adjourn the meeting to another time and date not less than thirty (30) days later and to any place within one of the counties in North Carolina in which the Cooperative serves: **PROVIDED**, that the Secretary shall notify any absent member of the time, date, and place of such adjourned meeting by delivering notice thereof as provided in Section 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those who were present in person and by proxy.

Section 3.05 Credentials and Election Committee The Board of Directors may, at or before any meeting of the members, appoint a Credentials and Election Committee, not less than five (5) nor more than eight (8) who are not close relatives or members of the same household of, existing directors or known candidates for directors to be elected at such meeting. In appointing the Committee, the Board shall have regard for equitable representation of the several areas served by the Cooperative. The Committee shall elect its own chairman and secretary. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and ballot voting, to pass upon all questions that may arise with respect to the registration of members in person or by proxy, to count all ballots cast in any election or in any other ballot vote taken, to rule upon the effect of any ballots irregularly or indecisively marked, and to pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election. In the event a protest or objection is filed concerning any election, such protest or objection must be filed within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both; and the Committee, by vote of a majority of those present and voting shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, which may be either to affirm or change the results of the election or to set aside such election. The Committee's decisions (as reflected by a majority of those actually present and voting) on such matters shall be final. (04/17/86)

Section 3.06 Voting Each member who is not in a status of suspension, as provided for in Section 2.01, shall be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. Voting by members other than members who are natural persons shall be allowed upon the presentation to the Cooperative, prior to, or upon registration at, each member meeting, of satisfactory evidence entitling the person presenting the same to vote. At all meetings of the members all questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's articles of incorporation or these bylaws.

Section 3.07 Proxies At any meeting of the members or adjournment thereof, any member including members which are associations, corporations, business trusts

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or bodies politic, may vote by proxy, but only if such proxy (a) is registered with the Secretary or his duly designated registrar prior to or at the time of the meeting or any adjournment thereof, or, if such proxy is to be voted upon any matter the carrying of which requires the affirmative votes of at least a clear majority of all the Cooperative's members, is registered with the Cooperative at its principal business office during office hours on or prior to the third business day next preceding the date of the meeting or any adjournment thereof, as the case may be, (b) is executed by the member in writing and designated the holder or alternate holder(s) thereof, which holder or alternate holder(s) shall be the member's spouse or an adult close relative (18 years or older) residing in the same household as the member (c) specified the particular meeting and/or adjournment thereof at which it is to be voted, and (d) is dated not more than ninety (90) days prior to the date of such meeting or any adjournment thereof: **PROVIDED**, that any mailed proxies not otherwise dated shall be deemed dated as postmarked if postmark is satisfactorily evidenced; **AND PROVIDED FURTHER**, that any proxy valid at any meeting shall be valid at any adjournment thereof unless the proxy itself specifies otherwise or is subsequently revoked by another proxy or by the presence in person of the member at such adjournment. A proxy may be unlimited as to the matters on which it may be voted or it may be restricted; a proxy containing no restriction shall be deemed to be unlimited. In the event a member executes two or more proxies for the same meeting or for any adjournment thereof, the most recently dated proxy shall revoke any proxy theretofore executed by him for such meeting or for such adjournment thereof, as the case may be; and if such proxies carry the same date and are held by different persons, none of them will be valid or recognized. The presence in person of a member at a meeting or any adjournment thereof shall revoke any proxy theretofore executed by him for such meeting or for such adjournment thereof, as the case may be, and he shall be entitled to vote in the same manner and with the same effect as if he had not executed a proxy. No person shall vote a proxy for more than one (1) member on any matter. (03/22/92)

Section 3.08 Order of Business The order of business at the annual meeting of members, and, insofar as practicable or desirable at all other meetings of the members shall be essentially as follows:

- (1) Report on the number of members present in person in order to determine the existence of a quorum;
- (2) Reading of the notice of the meeting and proof of the due delivery thereof, or of the waiver or waivers of notice of the meeting, as the case may be;
- (3) Reading of unapproved minutes of previous meetings and taking any necessary action thereon;
- (4) Presentation and consideration of reports of officers, directors and committees;
- (5) Election of directors;
- (6) Unfinished business;

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(7) New business; and

(8) Adjournment.

Notwithstanding the foregoing, the Board of Directors or the members themselves may from time to time establish a different order of business for the purpose of assuring the earlier consideration of and action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business; **PROVIDED**, that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

ARTICLE IV

DIRECTORS

Section 4.01 General Powers The business and affairs of the Cooperative shall be managed by a board of eight (8) directors, which shall exercise all the powers of the Cooperative except such as are by law or by the Cooperative's articles of incorporation or bylaws conferred upon or reserved to the members.

Section 4.02 Qualifications In order to become or to remain a director of the Cooperative, such person shall: (a) be at least 18 years of age at the time of initial appointment or election, and (b) be a member in good standing of the Cooperative, and (c) be receiving service from the Cooperative at such person's principal residence, and (d) be a resident of the district for which such person is appointed or elected to represent;

PROVIDED, no person shall be eligible to become or remain a director of the Cooperative who is a close relative of an incumbent director or an employee of the Cooperative; **FURTHER PROVIDED**, no person shall be eligible to become or remain a director of, or to hold any other position of trust in, the Cooperative who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the Cooperative, or a business primarily engaged in selling to, among others, the members of the Cooperative; provided, however, no person shall be ineligible to become or remain a director by reason of being financially interested in a business selling supplies, goods, or equipment to the Cooperative where such sales are the result of being the successful bidder where competitive bids were entertained by the Cooperative on a fair and impartial basis. Upon establishment of the fact that a nominee for director lack eligibility under this Section or as may be provided elsewhere in these bylaws, it shall be the duty of the chairman presiding at the meeting at which such nominee would otherwise be voted upon to disqualify such nominee. Upon the establishment of the fact that any person being considered for or already holding, a directorship or other position of trust in the Cooperative lacks eligibility under this Section, it shall be the duty of the Board of Directors to withhold such position from such person, or to cause him to be removed therefrom, as the case may be. Nothing in this Section contained shall, or shall be construed to, affect in any matter whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the directors have an interest adverse to that of the Cooperative.

(05/27/93)

PROVIDED FURTHER, that no person shall become a director or remain a director if he is a holder of a full-time elected public office in which a salary in excess of \$1,000.00 per year is paid. (12/18/97)

Section 4.03 Election At each annual meeting of the members, directors shall be elected by secret ballot (which balloting may be done by voting machine), by the members and, except as set forth in the provisions in Section 4.02, from among those members who are natural persons: **PROVIDED THAT**, when the number of nominees does not exceed the number of directors to be elected from a particular Directorate District, and if there is no objection, balloting may

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be dispensed with in respect of that particular election and voting may be conducted in any other proper manner. Directors shall, unless the members determine otherwise in advance of the initial balloting, be elected by a plurality vote of the members. Drawing by lot shall resolve, where necessary, any tie votes.

Section 4.04 Tenure Directors shall be so nominated and elected that three (3) shall be elected for three-year (3) terms at an annual members' meeting, three (3) shall be elected for three-year (3) terms at the next succeeding annual members' meeting and two (2) shall be elected for three-year (3) terms at the next succeeding annual members' meeting, and so forth: **PROVIDED**, that the terms of no two Directors from the same Directorate District shall coincide. Upon their election, directors shall, subject to the provisions of these bylaws with respect to the removal of directors, serve until the conclusion of the Annual Meeting of Members in the year in which their terms expire. If for any reason an election of directors shall not be held at an annual meeting of the members duly fixed and called pursuant to these bylaws, such election may be held at an adjournment of such meeting or at a subsequently held special, or at the next annual meeting of members. Failure of an election for a given year shall allow the incumbents whose directorship would have been voted on to hold over only until the next members' meeting at which a quorum is present. (10/09/86)

Section 4.05 Directorate Districts Directors shall be so nominated and elected that, the Board shall be comprised of one (1) director from each of the following eight (8) Directorate Districts: E-1, E-2, E-3, E-4, E-5, M-1, P-1, and D-AL as shown on the map attached to these bylaws and described in the thereto attached narrative description of each such area. (04/23/92)(09/01/08)

Section 4.06 Nominations It shall be the duty of the Board of Director to appoint not less than thirty (30) nor more than ninety (90) days before the date of a meeting the members at which directors are to be elected, a Committee on Nominations consisting of eight (8) persons who are members of the Cooperative, but are not incumbent directors or close relatives of such directors or of known candidates to become directors, and who are so selected that each of the Cooperative's Directorate Districts shall have one member thereon. The Committee shall prepare and post at the principal office of the Cooperative at least twenty (20) days before the meeting a list of nominations for directors to be elected, listing separately the nominee or nominees with respect to each Directorate District from which a director must or may, pursuant to this Article, be elected at the meeting. The Committee may include more nominees than there are to be elected, but it shall show clearly which nominees are opposed with respect to the same Directorate District. Any fifteen (15) or more members of the Cooperative, acting together, may make additional nominations in writing over their signatures in like manner listing the nominees separately with respect to the Directorate Districts from which they are nominated, not less than thirty (30) days prior to the meeting, and the Secretary shall post such nominations at the same place where the list of nominations made by the Committee is posted. Petitions of nominees for director shall be signed only by members who reside in the same Directorate District as the nominee whose name appears on the petition. The Secretary shall mail to the members with the notice of the meeting, or separately, but at least seven (7) days prior to the meeting, a statement of the directors to

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be elected from the particular Directorate Districts, and the names and addresses of all nominees for each such district, showing separately those nominated by the Committee and those nominated by petition, if any. Persons nominated by the Committee or timely by petition shall be entitled to have their names printed on the ballot, which shall state which nominees were nominated by the Committee and which were nominated by petition. Notwithstanding the provisions contained in this Section, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors. The Committee's decisions as reflected by a majority of those actually present and voting on such matters shall be final. (93/22/92) (05/27/93) (06/26/97)

Section 4.07 Voting for Directors: Validity of Board Action In the election of directors each member shall be entitled to cast the number of votes (but not cumulatively) which corresponds to the number of directors to be elected.

Section 4.08 Removal of Directors by Members Any member may bring charges for cause against a director and, by filing with the Secretary such charges in writing together with a petition signed by not less than one and one-half per centum (1-1/2%) of the Cooperative's members may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least twenty (20) days prior to the meeting of the members at which the charges are to be considered and shall have opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the member or members 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 such meeting and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance of the foregoing provisions with respect to nominations: **PROVIDED**, that the newly elected director shall be for the same District Directorship as was the director whose office he succeeds.

Section 4.09 Vacancies Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board of Directors shall be filled by affirmative vote of a majority of the remaining directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until his successor is elected and qualified: **PROVIDED**, that such a director, shall be for the same Directorate District as was the director whose office was vacated.

Section 4.10 Compensation; Expenses For their services as such, directors shall receive such compensation, which may include insurance benefits, as is fixed by resolution of the Board of Directors. For the performance of their duties, directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily, and reasonably incurred, in accordance with the Cooperative's established policies. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless, the payment and amount of such compensation shall be specifically authorized by a vote of the members or such payment and amount shall be specifically authorized by the remaining directors upon their certification of such

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as an unusual situation deserving special consideration: **PROVIDED**, that a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the remaining directors. Per diem expenses shall be paid directors for attending the Annual Meeting of Members, but no director shall be paid more than one per diem per day. (11/14/85)

Section 4.11 Rules, Regulations, Rate Schedules and Contracts, Security Deposits, and Contribution In-Aid-of Construction The Board of Directors shall have power to make, adopt, amend, abolish, and promulgate such rules, regulations, rate schedules, contracts, security deposits, and contributions in-aid-of-construction, not inconsistent with law or the Cooperative's articles of incorporation or bylaws, as it may deem advisable for the management, administration and regulation of the business affairs of the Cooperative.

Section 4.12 Accounting System and Reports The Board of Directors shall cause to be established a complete accounting system of the Cooperative's financial operations and condition, and shall after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records, reflecting operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit report shall be submitted to the members at or prior to the succeeding annual meeting of the members or as soon thereafter as the report is available from the independent auditor. (04/23/92)

Section 4.13 This Section deleted January 9, 1989.

Section 4.14 Director Emeritus Any director who is a member of the Board of Directors may be nominated by the Nominating Committee as a Director Emeritus. Such nomination shall be submitted to the next meeting of the members along with other nominations as herein provided. Upon election by the members, such duly elected Director Emeriti may serve in that capacity for life. (04/23/92)

Directors Emeriti shall not be members of the Board of Directors and shall serve in an advisory capacity only. They may attend meetings of the Board of Directors upon invitation by the Board, may be given notice of such meetings, may be compensated as fixed by the Board, but shall not be entitled, as a matter of right, to such notice or compensation, but may enter into discussions at such meetings but shall have no right to vote thereat and shall not be charged with the responsibilities nor be subject to the liabilities of directors.

Section 4.15 "Close Relative" Defined As used in these bylaws, "close relative" means a person who is a spouse, child, grandchild, parent, brother, sister, aunt, uncle, nephew or niece by blood, or an in-law of the principal. (05/17/84)

ARTICLE V

MEETING OF DIRECTORS

Section 5.01 Regular Meetings A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the annual meeting of members. A regular meeting of the Board of Directors shall also be held monthly at such date, time, and place in Edgecombe County, North Carolina as the Board of Directors may provide by resolution. At least once a quarter, the regular meeting will be preceded by an afternoon session in which the Board will have discussions and receive reports and information only. Except when business to be transacted thereat shall require special notice, such regular monthly meeting may be held without notice other than such resolution fixing the date, time, and place thereof: **PROVIDED**, that any director absent from any meeting of the Board at which such resolution initially determines or makes any change in the date, time or place of a regular meeting shall be entitled to receive written notice of such determination or change at least five (5) days prior to the next meeting of the Board. (05/23/91)

Section 5.02 Regular Meetings Special meetings of the Board of Directors may be called by Board resolution, by the President, or by any three (3) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 5.03. The President or the directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in Edgecombe County, North Carolina, unless all directors consent to its being held in some other place in North Carolina, or elsewhere.

Section 5.03 Notice of Directors' Meetings Written notice of the date, time, place and purpose or purposes of any special meeting of the board, and when the business to be transacted thereat shall require such of any regular meeting of the board, shall be delivered to each director not less than (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary or, upon his default in this duty, by him or those calling it in the case of a special meeting or by any other director or officer in the case of a meeting whose date, time, and place have already been fixed by Board resolution. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the ground that the meeting shall have not been lawfully called or convened. (11/08/84)

Section 5.04 Quorum The presence of a majority of the directors in office shall be required for the transaction of business, and the affirmative votes of at least a majority of the directors present shall be required for any action to be taken; **PROVIDED**, that a director who by law or these bylaws is disqualified from voting on a particular matter shall not, with respect to consideration and action upon that matter, be counted in determining the number of directors in office; **AND PROVIDED FURTHER**, that if less than a quorum be present at a meeting, a majority of the directors present may adjourn the meeting from time to time, but shall cause the absent directors to be duly and timely notified of the time and place of such adjourned meeting.

ARTICLE VI

OFFICERS; MISCELLANEOUS

Section 6.01 Number and Title The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer and such other officers as may from time to time be determined by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

Section 6.02 Election and Term of Office The officers named in Section 6.01 shall be elected by written ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after each annual meeting of members. The attorney shall preside over the election in which written ballots will be cast for the election of each officer. The manager and assistant secretary shall act as judges in the vote count, along with the attorney, If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board first held after the next succeeding annual meeting of the members, subject to the provisions of the bylaws with respect to the removal of directors by the members and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities, and authorities as the Board of Directors may from time to time deem advisable. (05/23/91) (01/29/98)

Section 6.03 Removal Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interest of the Cooperative will thereby be served: **PROVIDED**, however, that the Board of Directors shall be obligated to honor the terms of any employment contract previously entered into by the existing or a prior Board of Directors.

Section 6.04 Vacancies A vacancy in any office elected by the Board of Directors shall be filled by the Board for the unexpired portion of the term.

Section 6.05 President—

- (a) shall be the principal executive officer of the Cooperative and shall preside at all meetings of the Board of Directors and, unless determined otherwise by the Board of Directors at all meetings of the members.
- (b) shall sign, with the secretary, certificates of membership, the issue which shall be authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general 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 6.06 Vice President In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President,

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and when so acting shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6.07 Secretary The Secretary shall –

- (a) keep 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 bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the Cooperative and see that the seal of the Cooperative is affixed to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws or is required by law;
- (d) keep a register of the post office address of each member which address shall be furnished to the Cooperative by such member;
- (e) sign with the President certificates of membership the issue of which shall have been authorized by resolution of the Board of Directors;
- (f) have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) keep on file at all times a complete copy of the Cooperative's articles of incorporation and of its bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and at the expense of the Cooperative, forward a copy of such documents and of all amendments thereto upon request to any member; and
- (h) 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 6.08 Treasurer The Treasurer shall—

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipts for monies due and payable to the Cooperative from any source whatsoever, and deposit or invest all such monies in the name of the Cooperative in such bank or banks or securities as shall be selected in accordance with the provisions of these bylaws, and
- (c) in general perform all the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6.09 Delegation of Secretary's and Treasurer's Responsibilities Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Section 6.07 and 6.08, the Board of Directors by resolution

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may except as otherwise limited by law, delegate, wholly or in part, the responsibility for, and the regular or routine administration of, one or more of such officers' such duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

Section 6.10 Chief Executive Officer and Executive Vice President The Board of Directors shall appoint a chief executive officer, who may also be designated as executive vice president, and who may be, but who shall not be required to be, a member of the Cooperative. He shall perform such duties as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.

Section 6.11 Bonds The Board of Directors shall require the treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent, or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.

Section 6.12 Compensation The compensation, if any, of any officer, agent, or employee who is also a director or close relative of a director shall be determined as provided in Section 4.10 of these bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

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

ARTICLE VII

CONTRACTS, CHECKS, AND DEPOSITS

Section 7.01 Contracts Except as otherwise provided in these bylaws, the Board of Directors may authorize any Cooperative officer(s), agent(s), or employee(s) to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

Section 7.02 Checks, Drafts, etc. All checks, drafts, or other orders for payment of money, and all notes, bonds or other evidenced of indebtedness, issued in the name of the Cooperative shall be signed by such officer(s), agent(s), or employee(s) of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 7.03 Deposits; Investments All funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board of Directors may select.

ARTICLE VIII

MEMBERSHIP CERTIFICATES

Section 8.01 Certification of Membership Membership in the Cooperative may, if the Board so resolves, be evidenced by a certificate of membership, which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative articles of incorporation or its bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the President and Secretary, and the corporate seal shall be affixed thereto or a facsimile thereof printed thereon; **PROVIDED**, that the signatures of the President and Secretary may be imprinted by facsimile thereon.

Section 8.02 Issue of Membership Certificates No membership certificate shall be issued for less than the membership fee fixed by these bylaws, nor until such membership fee has been fully paid.

Section 8.03 Lost Certificate In case of a lost, destroyed or mutilated certificate, a new certificate may be issued therefor upon such terms and such indemnity to the Cooperative as the Board of Directors may prescribe.

ARTICLE IX

NON-PROFIT OPERATION

Section 9.01 Interest or Dividends on Capital Prohibited The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 9.02 Patronage Capital in Connection With Furnishing Electric Energy In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to this account; **PROVIDED**, that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of cost and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to the patrons' accounts may be retired in full or in part. **PROVIDED**, however, that the Board of Directors shall have the power to adopt rules providing for the separate retirement of that portion "power supply or other service or supply portion" of capital credited to the accounts of patrons which corresponds to capital credited to the account of the Cooperative by an organization furnishing electric service or any other service or

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supply to the Cooperative. Such rules shall (a) establish a method for determining the portion of such capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the Cooperative's books of such portions of capital credited to the cooperative's patrons, and (c) provide for appropriate notification to patrons with respect to such portions of capital credited to their accounts.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assigner and only to successors in the interest or successors in occupancy in all or a part of such patrons premises served by the Cooperative, unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provisions of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any individual patron, or upon the dissolution, bankruptcy or cessation of operations of any partnership, corporation or other business entity, to retire such capital credits immediately upon such terms and conditions as the Board of Directors may determine, acting under policies of general application to situations of like kind. **PROVIDED**, however that the financial condition of the Cooperative will not be thereby impaired.

The Cooperative shall be deemed to have a security interest in each patron's capital account to the fullest extent permitted by law and before retiring any capital credited to any patron's account shall deduct therefrom any amount owing to it by such patron, with interest at the rate of eight percent (8%) per annum.

The patrons of the Cooperative, by dealing with the Cooperative acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and conditions. (11/08/84) (09/22/94) (08/28/97)

ARTICLE X

NOTICE OF WAIVER OF NOTICE

Section 10.01 Notice Any such notice required by these bylaws or by the Service Rules and Regulations, if mailed, such notice shall be deemed to be delivered five days from the date when it was deposited in the United States mail, addressed to the proposed recipient thereof at such address as it appears on the Cooperative's records with postage thereon prepaid.

Section 10.02 Waiver of Notice Any member or director may waive, in writing any notice required to be given by these bylaws or by the Service Rules and Regulations.

ARTICLE XI

DISPOSITION OF PROPERTY

DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION

Section 11.01 Disposition of Property

- (a) Not inconsistently with the provisions of subsection (b) hereof, the Cooperative shall not sell, mortgage, lease or otherwise encumber or dispose of any of its property (other than merchandise and property which lies within the limits of an incorporated city or town, or which shall represent not in excess of ten percent (10%) of the total value of the Cooperative's assets, or which in the judgment of the Board of Directors are not necessary or useful in operating the Cooperative) unless authorized so to do by the votes in person of at least three-fourths of its total membership without proxy and by the consent of the holders of seventy-five per centum (75%) in the amount of the Cooperative's bonds, except that the members of the Cooperative, may by the affirmative majority votes cast in person or by proxy at any meeting of the members, delegate to the Board of Directors the power and authority (1) to borrow monies from any source in such amounts as the Board may from time to time determine, and (2) to mortgage or otherwise pledge or encumber any or all of the Cooperative's property or assets as security therefor. (02/19/88)
- (b) Notwithstanding the foregoing subsection (a) or any other provisions of these bylaws, no sale, lease or lease-sale of all or in excess of ten percent (10%) of the Cooperative's assets (other than merchandise and property which in the judgment of the Board of Directors are not necessary or useful in operating the Cooperative) to any other entity shall be authorized except in conformity with the following:
- 1) If the Board of Directors looks in favor upon any proposal for such sale or lease-sale, it shall first cause three independent appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such sale, lease or lease-sale and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Superior Court Resident Judge for the judicial district in North Carolina in which the Cooperative's headquarters are located.
 - 2) If the Board of Directors, after receiving such appraisals (and other terms and conditions which are recommended, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every other electric membership corporation corporately sited and operating in North Carolina (which has not made such an offer for such sale, lease or lease-sale) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such electric membership corporations, which notice shall attach a copy of the proposal which the Cooperative has already received and a copy of the report(s) of the three (3) appraisers. Such electric membership corporation shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
 - 3) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify

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the members, expressing in detail each of any such proposals and shall call a special meeting of the members for consideration thereof, which meeting shall not be held sooner than ninety (90) days after the giving of such notice to the members: **PROVIDED**, that consideration thereof by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is not held sooner than ninety (90) days after the giving of such notice.

- 4) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days before the date of such special or annual meeting may cause the Cooperative, with the cost to be borne by the Cooperative, to mail all members any opposing or alternative positions which they may have to the recommendations that the Board has made.

The provisions of this subsection (b) shall not apply to a sale, lease or lease-sale, to one or more other electric membership corporations if the substantive effect thereof is to merge or consolidate with such other one or more electric membership corporations.

Section 11.02 Distribution of Surplus Assets on Dissolution Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall be distributed, to the extent practicable, among all persons who shall have been members of the Cooperative at any time, prorated to them on the basis that their respective patronage during all such years bears to the total receipts of the Cooperative for all such years.

ARTICLE XII

FISCAL YEAR

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

ARTICLE XIII

RULES OF ORDER

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these bylaws and any other committees of the members or Board of Directors which may from time to time be duly established shall be governed by the most recent edition of *Robert's Rules of Order*, except to the extent such procedure is otherwise determined by law or by the Cooperative's articles of incorporation or bylaws.

ARTICLE XIV

SEAL

The Corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words, "Corporate Seal, North Carolina."

ARTICLE XV

AMENDMENTS

These bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3's) of the total directors in office at any regular or special meeting of the Board, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

DIRECTORATE DISTRICTS

EDGECOMBE COUNTY

Five Districts

E-1

This section is bounded on the south side by the centerline of State Highway 97. This line begins at the intersection of State Highway 97 and Seaboard Coastline Railroad in Rocky Mount, (Nash -Edgecombe County line), and continues to follow State Highway 97 eastward until it reaches a point where State Highway 97 intersects with U.S. 258. Turning northward, the boundary follows the centerline of U.S. 258, creating the eastern boundary. All portions of Nash, Edgecombe, and Halifax Counties within this geographical area shall be considered in District E-1.

E-2

Beginning at point where US Hwy 64 Alternate West intersects with the Edgecombe-Pitt County line, the boundary follows the center line of US Hwy 64 Alternate West in a northwestern direction until reaching Princeville where US Hwy 64 Alternate West becomes NC 33 continuing northward to a point where NC 33 crosses the Tar River in Princeville and Tarboro. The boundary then follows the center line of the Tar River in a northeastern direction until it reaches a point where Fishing Creek merges with the Tar River. At this point the boundary follows the center line of Fishing Creek northwest until it reaches a point where Hwy 97 crosses Fishing Creek turning eastward, the boundary follows the centerline of Hwy 97 until intersecting with HS Hwy 258 and then continuing northward on the centerline of US Hwy 258, creating the western boundary.

The southern boundary begins at a point where US Hwy 64 Alt. East intersects with the Edgecombe-Pitt County line and follows the Edgecombe-Pitt County line until reaching the Martin County line creating the southern boundary. Turning northward, the boundary follows the Edgecombe-Martin County line until reaching the Halifax County

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line, thus creating the eastern boundary. All portions of Edgecombe and Halifax Counties with this geographical area shall be considered District E-2.

E-3

Beginning at a point where US 64 Business crosses the Tar River, in Tarboro and Princeville, the eastern boundary follows the centerline of U.S. 64 alternate east, in a southeasterly direction, until reaching the Edgecombe-Pitt County line. Turning south, the boundary follows the Edgecombe-Pitt County line, until reaching a point where State road 1102 crosses the County line, thus creating the southern boundary. Following the center line of State Road 1102 northward until reaching the intersection of State Road 1106, where the boundary continues on to follow the center line of State Road 1106, until reaching the intersection of State Road 1109, and following the center line of State Road 1109, until reaching the intersection of State Highway 124 in Macclesfield. The boundary then follows State Highway 124 eastward, until reaching the intersection of State Road 1119, in Macclesfield where it turns northward and follows the center line of State Road 1119 into Pinetops, where it connects with State Road 1201, and continues in a northerly route on the center line of State Road 1201, until reaching State Road 1202, where it continues on the center line of State Road 1202, until reaching the intersection of State Road 1205. The boundary then follows the centerline of State Road 1205 until reaching the Tarboro town limits, thus creating the western boundary. Following the town limits of Tarboro, in an easterly direction, until reaching the point of beginning at the crossing of U.S. 64 Business and the Tar River, the northern boundary is created. This geographical area shall be considered District E-3.

E-4

Beginning at a point where the center line of State Road 1102 and the Edgecombe-Pitt County line intersects, and following the center line of State Road 1102 northward, until reaching the intersection of State Road 1106, where the boundary continues on to follow

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the center line of State Road 1106, until reaching the intersection of State Road 1109, and following the center line of State Road 1109, until reaching the intersection of State Highway 124, in Macclesfield, where the boundary follows State Highway 124 eastward, until reaching the intersection of State Road 1119, in Macclesfield, where it turns northward and follows the center line of State Road 1119 into Pinetops, where it connects with State Road 1201, and continues in a northerly route on the center line of State Road 1201, until reaching State Road 1202, where it continues on the center line of State Road 1202, until reaching the intersection of State Road 1202, until reaching the intersection of State Road 1205, thus creating the eastern boundary. Turning westward, and following the center line of State Road 1205, until reaching the intersection of State Road 1222, and following the center line of State Road 1222, until reaching the intersection of State Highway 43, where the boundary turns northward on State Highway 43, and follows the center line, until reaching the Nash-Edgecombe County line, thus creating the northern boundary. All portions of Edgecombe, Nash, and Wilson counties, within this geographical area, shall be considered in District E-4.

E-5

Beginning at a point where the town limits of Tarboro and State Road 1006 intersect, and following the center line of State Road 1006, in a westward direction until reaching the intersection of State Highway 43, where the boundary turns northward on State Highway 43, and follows the center line, until reaching the Nash-Edgecombe County line, thus creating the southern boundary. Following the Edgecombe-Nash County line, in a northerly direction, until reaching a point where State Highway 97 crosses the County line, creates a western boundary. Turning eastward, and following the centerline of State Highway 97, until reaching a point where State Highway 97 crosses Fishing Creek, forms the northern boundary. The boundary then turns southward, and follows the center of Fishing Creek until reaching the Tar River, where it continues to follow the

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center of Tar River, until reaching a point where U.S. 64 crosses the Tar River, continuing westward from that point, the boundary follows the town limits of Tarboro, until reaching the point of beginning at State Road 1205 and the town limits, thus creating the eastern boundary. This geographical area shall be considered District E-5.

MARTIN COUNTY

M-1

All portions of land within Martin County shall be considered District M-1.

PITT COUNTY

P-1

All portions of land within Pitt County and Beaufort County shall be considered District P-1.

Director-at-Large (District-AL)

All portions of land encompassing Edgecombe-Martin County Electric Membership Corporation's service territory shall be considered District-AL.