CERTIFICATE OF INCORPORATION OF BLUE RIDGE ELECTRIC MEMBERSHIP CORPORATION

We the undersigned, incorporators of Blue Ridge Electric Membership Corporation, being natural persons and residents of the territory in which the principal operations of the corporation are to be conducted and desirous of using electric energy to be furnished by the corporation, and having been granted permission to form an electric membership corporation under and pursuant to Chapter 291, Public Laws 1935 of North Carolina, by order of the North Carolina Rural Electrification Authority, hereby execute this certificate of incorporation of said corporation, dated 19th day of August 1940.

1. NAME:
   The name of the corporation shall be BLUE RIDGE ELECTRIC MEMBERSHIP CORPORATION.

2. TERRITORY:
   The operations of the corporation shall be principally conducted in those parts of the county or counties of Caldwell, Watauga, Ashe, Alleghany, Avery, and Alexander Counties, State of North Carolina, which are not now served, or which are inadequately served with electric energy, or which are now served by Caldwell Mutual Corporation.

3. PRINCIPAL OFFICE:
   The location of the principal office of the corporation and the post office address thereof shall be Lenoir, North Carolina.

4. NUMBER OF DIRECTORS:
   The number of directors shall be determined as provided in the Bylaws. This number shall not exceed fifteen (15) and shall not be less than seven (7).

5. DIRECTORS FOR FIRST YEAR:
   The names and post office addresses of the directors who are to manage the affairs of the corporation for the first year of its existence or until their successors are chosen are:

NAME	POST OFFICE ADDRESS
A. G. Beach	Lenoir, NC
C. G. Collins	Sparta, NC
J. C. Goodman	West Jefferson, NC
Bert Mast	Mabel, NC
A. B. Hurt	Nathans Creek, NC
Van Miller	Laurel Springs, NC
D. R. Moore	Granite Falls, NC
Clarence Newton	Shulls Mills, NC
Clyde Perry	Sugar Grove, NC
G. Tom Perry	Piney Creek, NC
R. E. L. Plummer	Crumpler, NC

C. C. Poovey	Granite Falls, NC
G. B. Price	Clifton, NC
G. W. Sullivan	Yadkin Valley, NC
C. M. Watson	Deep Gap, NC

6. DURATION:
   The duration of the corporation shall be perpetual.

7. MEMBERSHIP:
   The terms and conditions upon which persons shall be admitted to membership in the corporation are as follows:
   The undersigned incorporators and any person, firm, corporation, or body politic who or which is a member of Caldwell Mutual Corporation upon the date of the transfer to the corporation of the electric distribution lines and facilities of said mutual corporation shall be members of the corporation.
   Any person, firm, corporation, or body politic may become a member in the corporation by:
   (1) paying the membership fee specified in the Bylaws;
   (2) agreeing to purchase from the corporation electric energy as specified in the Bylaws; and
   (3) agreeing to comply with and be bound by this certificate of incorporation and the Bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the Board of Directors, provided, however, that no person, firm, corporation or body politic shall become a member unless and until he or it has been accepted for membership by the Board of Directors or the members. A husband and wife may jointly become a member and their application for a joint membership may be accepted in accordance with the foregoing provisions of this section provided the husband and wife comply jointly with the provisions of the above subdivisions (1), (2), and (3). No person may own more than one membership in the corporation and each member shall be entitled to only one vote and no more on each matter submitted to a vote at a meeting of the members. If a husband and wife hold a joint membership they shall jointly be entitled to one vote and no more on each matter submitted to a vote at a meeting of the members.

8. PURPOSES:
   The purposes of the corporation shall be to render service to its members and to promote and encourage the fullest possible use of electric energy in rural sections of the state of North Carolina by making electric energy available to the inhabitants of the state at the lowest cost consistent with sound economy and prudent management of the business of the corporation, and shall include all purposes required and authorized by the Electric Membership Corporation Act of the State of North Carolina, including amendments thereto subsequent to the date hereto. All of the operations of the corporation shall be on a cooperative basis not for pecuniary profit, and for the use and benefit of its members.

9. POWERS:
The corporation shall possess and be authorized to exercise and enjoy all of the powers, rights, and privileges granted to or conferred upon corporations of the character of the corporation by the laws of the State of North Carolina now or hereafter in force. WITNESS our hands and seals this 19th day of August 1940.

G. B. Price
A. B. Hurt
J. C. Goodman
D. R. Moore
R. E. L. Plummer

CERTIFICATE OF AMENDMENT OF CHARTER OF BLUE RIDGE ELECTRIC MEMBERSHIP CORPORATION

G. W. Sullivan and A. G. Beach, being duly elected and qualified president and secretary-treasurer, respectively, of Blue Ridge Electric Membership Corporation, pursuant to Chapter 291, Public Laws of 1935 of North Carolina, having been duly authorized so to do, hereby certify:

(a) That the name of the corporation is Blue Ridge Electric Membership Corporation (hereinafter referred to as the "corporation");

(b) That the Certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of North Carolina on the 19th day of August 1940, and copy thereof certified as a true and correct copy under the hand and seal of the Secretary of State was filed in the Offices of the Clerk of the Superior Courts of Caldwell, Watauga, Ashe, Alleghany, Alexander, and Avery counties, of North Carolina on the 23rd day of August 1940; on the 23rd day of August 1940; on the 23rd day of August 1940; on the 23rd day of August 1940; on the 23rd day of August 1940; and on the 23rd day of August 1940; respectively.

(c) That the members at a duly convened meeting held on July 19, 1941 adopted by a vote of more than a majority of all members of the corporation the following resolution:

RESOLVED by the members of the Corporation that paragraph 2 of the Certificate of Incorporation of the Corporation, which reads as follows:

(2) Territory: The operations of the corporation shall be principally conducted in those parts of the county or counties of Caldwell, Watauga, Ashe, Alleghany, Avery, and Alexander counties, State of North Carolina, which are not now served or which are inadequately served with electric energy, or which are now served by Caldwell Mutual Corporation be and the same hereby is, amended to read as follows:

(2) Territory: The operations of the corporation shall be principally conducted in those parts of the county or counties of Caldwell, Watauga, Ashe, Alleghany, Avery, Alexander, Surry, and Wilkes counties, State of North Carolina, which are not now served or which are inadequately served with electric energy, or which are now served by Blue Ridge Electric Membership Corporation.

RESOLVED that the President and Secretary be, and they hereby are, authorized to execute and file a certificate of amendment and to take all steps and to do all things necessary and proper to effectuate the above and foregoing amendment to the Certificate of Incorporation of the Corporation.

G. W. Sullivan, President of Blue Ridge Electric Membership Corporation

A. G. Beach, Secretary-Treasurer of Blue Ridge Electric Membership Corporation

AFFIDAVIT

NORTH CAROLINA, CALDWELL COUNTY:

G. W. Sullivan and A. G. Beach, being duly sworn according to law depose and say that they are the duly elected and qualified President and Secretary respectively of Blue Ridge Electric Membership Corporation (hereinafter called the "Corporation"), a Corporation organized and existing under Chapter 291, Public Laws of 1935 of North Carolina; that a special meeting of the members of the Corporation was held on July 19, 1941 pursuant to notice duly given to all members in accordance with the provisions of the Bylaws of said Corporation; that at said meeting more than a majority of all the members of the Corporation were present and acted throughout; and that at said meeting the members so present adopted the resolutions set forth in the foregoing Certificate of Amendment, amending the Certificate of Incorporation as therein set forth, and duly authorized the affiants to execute and file such Certificate of Amendment and to take all steps and to do all things necessary to effectuate such amendment to the Certificate of Incorporation of the Corporation by the votes cast in person and by proxy, by more than a majority of all the members of the Corporation entitled to vote.

WITNESS our hands and seals this 19th day of July 1941.

G. W. Sullivan, President

A. G. Beach, Secretary-Treasurer

BYLAWS

ARTICLE I

MEMBERSHIP

SECTION 1.01

Eligibility & Requirements for Membership.

Any person, firm, association, corporation or body politic or subdivision thereof may become a member of the Blue Ridge Electric Membership Corporation (hereinafter called the "Cooperative") by complying with all of the following:

(a) Providing all information required by the Cooperative's membership application; and

(b) Agreeing to purchase from the Cooperative electric energy generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided by the Cooperative as herein specified; the sale and furnishing of electric energy includes goods and services (such as distribution, delivery and metering) directly

related to the furnishing of electric energy sold by the Cooperative and may also be referred to collectively and interchangeably as “electric service”; and

(c) Agreeing to comply with and be bound by the Certificate of Incorporation and Bylaws of the Cooperative and any Service Rules and Regulations adopted by the Board of Directors (“Governing Documents”); and

(d) No membership fee shall be required. No member may hold more than one membership in the Cooperative and no membership or the privileges of that membership shall be transferable, except as provided in these Bylaws; and

(e) Having an active service connection within the service area of the Cooperative from which the Cooperative meters the electric energy generated, transmitted, distributed, sold, supplied, furnished, or otherwise provided by the Cooperative to the member.

(f) An application for membership may be provided to the Cooperative by electronic means consistent with the North Carolina Uniform Electronic Transactions Act.

SECTION 1.02
Evidence of Membership.
Membership in the Cooperative may be evidenced by having an active electric service connection.

SECTION 1.03
Joint Membership; Conversion of Membership.
Any two natural persons may apply for a joint membership and, subject to their compliance with the requirements set forth in SECTION 1.01 of this Article, may be accepted for such membership. The term “joint member” as used in these Bylaws shall be defined as two natural persons holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

(a) Joint Membership:

1. The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
2. The vote of either separately or both jointly shall constitute one joint vote;
3. A waiver of notice signed by either or both shall constitute a joint waiver;
4. Withdrawal of either shall terminate the membership;
5. Either but not both may be elected to serve as a Director of the Cooperative, provided that Director qualifications are met.
6. Neither will be permitted to have any additional service connections except through their one joint membership.

(b) Conversion of Membership:

1. A membership may be converted to a joint membership upon the written request of the holder thereof, and the agreement of both parties to comply with Bylaws and Service Rules and Regulations adopted by the Board of Directors.
2. The death, expulsion or withdrawal of either shall terminate the joint membership and the survivor shall continue as a single member; provided, however, that the

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estate of the deceased shall not be released from any debts due the Cooperative.

3. A joint membership terminated may be converted to a single membership if either natural person corrects the default in eligibility and makes application therefore in the manner established by the Bylaws and policies of the Cooperative.

SECTION 1.04
Membership & Service Connection Fees.
Upon application for membership a member shall be entitled to one (l) membership and shall be eligible to receive electric service after the payment of any required deposits, charges and fees. Any required deposit, charges and fees as established by policy of this Cooperative shall be paid by said member for each additional electrical connection. If the application for membership is accepted, then the member is bound by the terms of the application (or sometimes referred to as the Membership Agreement) as well as the Cooperative's Governing Documents.

SECTION 1.05
Purchase of Electric Energy.
Each member shall, as soon as electric energy shall be available, purchase from the Cooperative electric energy used on the premises specified in the member's application for membership, and shall pay at rates and schedules which shall from time to time be fixed by the Board of Directors with respect to the purchase and supply of electric energy. Each member and the Cooperative shall be bound by the following:

(a) The Cooperative shall exercise reasonable diligence to furnish its members with adequate and dependable electric service, although it cannot and therefore does not guarantee a continuous and uninterrupted supply thereof; the Board of Directors may limit the amount of demand or energy which the Cooperative shall be required to furnish its members.
(b) Each member shall pay to the Cooperative a minimum amount per established billing schedule (Grid Service Charge) which shall be established by the Board of Directors regardless of the amount of electric energy consumed.
(c) Each member shall make available to the Cooperative a suitable site, as determined by the Cooperative, whereon to place the Cooperative's physical facilities and metering of electric energy and shall permit the Cooperative's authorized employees, agents and independent contractors to have access thereto safely and without interference from any hostile source for meter reading, inspection, maintenance, replacement, relocation, or repair thereof at all reasonable times.
(d) As a part of the consideration for membership and electric 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 the facilities of the Cooperative; and, the member's best efforts shall be used to prevent others from doing so. 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.

(e) It is understood and agreed that the Cooperative is merely a supplier of electric service, and the Cooperative will not be responsible for any damage or injury to the buildings, motors, apparatus or other property of the member due to lightning, defects in wiring or other electrical installations, defective equipment or other cause not due to the negligence of the Cooperative. The Cooperative will not be in any way responsible for the transmission, use or control of the electric service beyond the delivery point except as may be provided in specific programs contracted between the member and the Cooperative.

(f) Production or use of electric energy on the premises of a member, regardless of the source thereof, shall be subject to appropriate regulations as affixed from time to time by the Cooperative.

(g) Each member shall cause all premises receiving electric service pursuant to his membership to become and remain wired in accordance with the specifications of the National Electric Safety Code, any applicable state code or local government ordinances and policies and regulations of the Cooperative.

SECTION 1.06
Excess Payments to be Credited as Member-Furnished Capital.
All amounts paid for the sale and furnishing of electric energy in excess of the cost thereof shall be equitably allocated to and contributed by the members as capital for the Cooperative, and each member shall be credited with the capital so contributed as provided in Article VII of these Bylaws.

SECTION 1.07
Member to Grant Easement to Cooperative.
Each member shall, upon being requested to do so by the Cooperative, execute and deliver to the Cooperative grants of easement or right-of-way over, on and under such lands owned or leased by or mortgaged to 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 or for the construction, operation, maintenance, or relocation of the Cooperative's electric facilities.

SECTION 1.08
Member Access.
A member who has an individual grievance or concern that is not resolved to his satisfaction at the local district Cooperative office, after allowing a reasonable time for investigation and action, may appeal to the Chief Executive Officer for redress. If he is still not satisfied, after allowing a reasonable time for the Chief Executive Officer to act, he may contact the Cooperative to make a written request to the Executive Office Manager who will arrange for the member's request to be reviewed by the Cooperative's Corporate Officers Group or the Board of Directors. At the discretion of the Cooperative, members whose requests are granted may be scheduled to first meet with the local district Board Members. In the event a member lacks resolution after

meeting with local district Board members, the member may submit a renewed request for access to the full Board of Directors.

SECTION 1.09
Compliance with Governing Documents and Membership Agreement.
A member shall: Comply with the Governing Documents; provide and maintain a current mailing address, electronic mail address, and telephone number with the Cooperative; pay the Cooperative for Cooperative's damages, costs, or expenses, including attorney fees and legal expenses, caused by or associated with the member's failure to comply with the Governing Documents or the Membership Agreement.

If and as requested by the Cooperative, a member shall correct or remedy, or pay to correct or remedy, the member's failure to comply with the Governing Documents or Membership Agreement. The Cooperative may notify or inform the owner, landlord, renter, or tenant of a location occupied by a member that the member has not complied with the Governing Documents or Membership Agreement.

If a member fails to comply with the Governing Documents or Membership Agreement, then, the Cooperative may suspend or terminate the member of a Cooperative service provided to the member. Regardless of whether money damages are available or adequate, the Cooperative may: bring and maintain a legal action to enjoin the member from violating the Governing Documents or Membership Agreement and bring and maintain a legal action to order the member to comply with the Governing Documents or Membership Agreement.

SECTION 1.10
Indemnification and Liability
As requested by the Cooperative, and except to the extent, if any, caused by the negligence, gross negligence, or willful misconduct of the Cooperative, a member shall indemnify the Cooperative for, and hold the Cooperative harmless from, liabilities, damages, costs, or expenses, including reasonable attorney fees and legal expenses incurred by the Cooperative, or by a Cooperative Director, Officer, employee, agent, or representative ("Cooperative Official"), and caused by the negligence, gross negligence, or willful misconduct of the member [or a non-member occupying the same location as the member], or by the unsafe or defective condition of a location occupied by the member.

In general, a member is not liable to a third party for the Cooperative's acts, debts, liabilities, or obligations solely because of membership in the Cooperative. A member may become liable to the Cooperative or a third party as provided in the Governing Documents, Membership Agreement or as otherwise agreed to by the Cooperative and the member. The Cooperative is liable to a member only to the extent of, and only in proportion to, the negligence, gross negligence, or willful misconduct of the Cooperative. The Cooperative is not liable to a member for the contributory comparative, or similar negligence, gross negligence, or willful misconduct of the member.

SECTION 1.11
Termination of Membership.
Any member may withdraw from the membership upon compliance with such uniform terms and conditions as the Board of Directors may prescribe. Additionally, the Board of Directors of the Cooperative, may by a majority vote at any regular or special meeting of the Board of Directors, expel any member who has failed to comply with any of the provisions of the Certificate of Incorporation, Bylaws or Service Rules and Regulations adopted by the Board of Directors or the Membership Agreement, after notice to the member and due hearing before the Board of Directors if such hearing is requested by him. Any expelled member may be reinstated by a majority vote of the Board of Directors. Upon withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall terminate. A membership will be terminated if electric service has been discontinued. A member whose membership is terminated in any manner shall be entitled to a refund of any refundable fees or deposits paid to the Cooperative, less any amounts due the Cooperative. Termination in any manner shall not release a member from any debts or obligations due the Cooperative by the member.

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SECTION 1.12
Suspension, Reinstatement.
Notwithstanding the foregoing, the Board of Directors, by a majority vote, may suspend any member who has failed to comply with any provisions of the Certificate of Incorporation, Bylaws or Service Rules and Regulations adopted by the Board of Directors or the Membership Agreement without first terminating their membership. A member in suspension shall not be entitled to participate in any vote of the membership. A member who has ceased any noncompliance with his membership obligations may be reinstated by the Board of Directors, by a majority vote, and thereafter shall be entitled to participate in a vote of the membership if reinstated.

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SECTION 1.13
Non-Liability for Debts of Cooperative.
The private property of the members of the Cooperative, except such unretired Patronage Capital Credits as may have been allocated to the members on the books of the Cooperative pursuant to Article VII of these Bylaws, shall be exempt for the debts of the Cooperative and no member shall be individually liable or responsible for any debts or liabilities of the Cooperative.

SECTION 1.14
Participation in Cooperative Load Management Programs, if Required.
Each member shall participate in any required program and comply with any related rate(s) and Service Rules and Regulations that may be established by the Cooperative to enhance load management more efficiently, to utilize or to conserve electric energy, or to conduct load research.

ARTICLE II

MEETINGS OF MEMBERS

SECTION 2.01
Annual Meeting.
The Annual Meeting of the members shall be held during the month of June of each year, at such place within a county served by the Cooperative, on such date and beginning at such hour as fixed by the Board of Directors for the purpose of electing board members, receiving reports for the previous fiscal year, and transacting such other business as may properly come before the meeting. The record date (for the voting body) shall be set by the Board of Directors. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the Annual Meeting. The Board of Directors has the authority to hold the meeting in person, telephonically or other formats. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2.02
Special Meetings.
Except as provided in Section 3.08, a meeting of the members may be called by resolution of the Board of Directors or upon written request signed by a majority of all of the Directors then in office or by at least ten per centum (10%) of the members. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings. It shall then be the duty of the Board of Directors to call said meeting, set a record date (for the voting body), and designate time and place and the duty of the Secretary to see that notice of such meeting is given as hereinafter provided in Section 2.03. This meeting shall be held in one of the counties indicated in Section 2.01, on a date, not sooner than forty (40) days after the call for such meeting is made or a petition therefore is filed.
The Board of Directors has the authority to hold the meetings in person, telephonically or other formats.

SECTION 2.03
Notice of Member Meetings.
Written or printed notice of the place and/or format, 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 of the meeting shall be delivered to each member not less than fourteen (14) days nor more than seventy (70) days before the date of the meeting, either personally, by mail, or via electronic means in compliance with North Carolina law. Such notice shall be given by or at the direction of the Secretary or, upon the Secretary's default in this 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. 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 sufficient postage thereon and receipted by the US Post Office at least fourteen (14) days before the meeting date. If sent via electronic means, such notice shall be deemed to be delivered at the time it is sent, provided the member has

previously requested or agreed to receive notice in this manner. 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 or by proxy 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 on the ground that the meeting shall not have been lawfully called or convened.

SECTION 2.04
Quorum.
Registration in person, by proxy or by the return of ballots or proxies, as permitted in these Bylaws of at least 400 members of the Cooperative shall be required for the transaction of business at any meeting of the members. Votes cast for the election of Directors shall be valid at such time as a quorum is attained and certified by the Credentials and Election Committee. If a quorum is not achieved at any meeting, a majority of those present in person may adjourn the meeting to another time and date at least twenty (20) days later and to any place within one of the counties named in Section 2.01; provided, that the Secretary shall notify any absent members of the new time, date, and place of such adjourned meeting by delivering notice thereof as provided in Section 2.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes a list of those who were present in person and by proxy.

SECTION 2.05
Voting.
(a) Each member as of the record date set by the Board of Directors who is not in a status of suspension, as provided for in Section 1.12, shall be entitled to only one vote upon each matter submitted to a vote of the members. In conjunction with any vote by the members, the Cooperative may require satisfactory evidence from the person presenting a ballot or proxy of the entitlement to vote. All questions shall be decided by a majority of the members voting thereon, except as otherwise provided by law or by the Cooperative's Certificate of Incorporation or these Bylaws. The President of the Cooperative who is presiding or, if for any reason he be not presiding, any member of the Cooperative who is presiding shall be entitled to vote in any election or in any other vote taken. Members may not cumulate votes or collect ballots or proxies from other members.

(b) At any meeting of the members or any adjournment or postponement thereof, any member may vote by: (i) attending such meeting and completing a ballot while the polls are officially open for voting; (ii) mailing a properly executed proxy to the Cooperative or its designee at the address specified in such proxy, provided that such proxy is received no later than the date specified in the proxy; or (iii) submitting a properly executed electronic proxy, via the internet, to the Cooperative or its designee at the web address specified in such proxy, provided such proxy is received no later than the date specified in the proxy. Any member may revoke his proxy by submitting a properly executed and timely returned proxy or revocation of the proxy or by voting in person using a written ballot while the polls are open at

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such meeting. Merely attending the meeting in person will not in and of itself revoke a previously submitted proxy or require the member to complete a new ballot.

SECTION 2.06
Proxies.
Each member as of the record date set by the Board of Directors who is not in a status of suspension and who properly executes and returns a proxy by mail or internet, in accordance with Section 2.05(b)(ii) or (iii) of these Bylaws shall, by executing the written proxy, appoint three (3) Directors who are not standing for election at the meeting, or any of them, with full power to act alone, the true and lawful attorneys in fact and proxies of such member (the "Director Proxies"), to cast all votes as directed by the member at the meeting and at any adjournment or postponement thereof, with all powers the member would possess if personally present. If the proxy is duly executed and timely returned and expressly authorizes the Director Proxies to vote in their discretion on the member's behalf, the Director Proxies will vote on behalf of the member in their discretion. If any other business is properly brought before the meeting, the Director Proxies will act on behalf of the member in their discretion.

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Any proxy valid at any membership meeting shall be valid at any adjournment or postponement thereof unless the proxy itself specifies otherwise or subsequently is revoked by another proxy or ballot. A proxy may be unlimited as to the matters on which it may be voted or it may be restricted; a proxy containing no restrictions shall be deemed to be unlimited.

In the event a member executes two or more proxies or ballots for the same meeting or any adjournment thereof, the most recently dated proxy or ballot shall revoke all others; if such proxies or ballots carry the same date (and time) and are held by different persons, none of them will be valid or recognized.

Whenever a member is absent from a meeting of the members but the member's spouse residing in the same household as the member attends the meeting, such person shall be deemed to hold, and may exercise and vote, the vote of such member to the same extent that such member could vote if present in person. Likewise, absent written notification of objection by the member, a spouse residing in the same household of the member may complete and execute a proxy.

A member who is a natural person may vote by the use of a "Power of Attorney" when such Power of Attorney is a General Power of Attorney and is presented to the Secretary or his duly designated registrar before or at the time of the meeting, when such Power of Attorney has been duly filed and recorded in the public record and when the contents of said "Power of Attorney" comply with those provisions of the North Carolina General Statutes relevant to such Powers of Attorney. The holder of a Power of Attorney shall be deemed to be carrying a proxy of the grantor of that Power of Attorney. Such holder of a Power of Attorney shall not be entitled to vote as proxy for any other member.

No employee of the Cooperative shall be eligible to be designated to hold, carry or vote the proxy or ballot of another member.

No person may carry or vote a proxy except as specifically authorized in these Bylaws.

SECTION 2.07
Credentials & Election Committee.
It shall be the duty of the Board of Directors to appoint, at the October Board meeting or at the next meeting opportunity of the Board, a Credentials and Election Committee consisting of an odd number of members who are natural persons, not less than five (5) nor more than nine (9) for a one-year term, who are not existing or former Cooperative employees, agents, Officers, Directors or known candidates for Director, who are not close relatives thereof (as defined in Section 3.14) or members of the same household of Cooperative Officers, existing Directors or known candidates for Director, and who, if an election of Directors is to be held are not members of the Nominating Committee for such meeting. In appointing the Committee, the Board of Directors shall have regard for equitable representation of the several districts served by the Cooperative. The Committee shall elect its own Chairperson, Vice Chairperson, and Secretary prior to the member meeting. It shall be the responsibility of the Committee to ensure any election or vote of the members of the Cooperative is conducted in accordance with these Bylaws and North Carolina law (including but not limited to approving the proxy and ballot to be used for an election, approving the form of any materials such as biographical information relating to director candidates, determining the validity of petitions of nomination or the qualifications of candidates by petition and the regularity of the nomination and election of Directors as well as overseeing the independent election administration vendor, if utilized), and to certify a quorum and the results of any vote. In the exercise of its responsibility, the Committee shall have available to it the advice of Counsel provided by the Cooperative. In the event a protest or objection is filed concerning any election, such protest or objection must be filed with the Cooperative, shall be in writing, and shall state the basis of such objection, during or 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 chairperson, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protester(s) or objector(s) who may be heard in person, by Counsel, or both; and the Committee, by a 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 to change the results of the election or to set aside such election. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. Drawing by lot shall resolve, where necessary, any tie votes. The Committee may not act on any matter unless a majority of the Committee is present in person.

Notwithstanding the filing of a protest or objection concerning any election of Directors following a certification by this Committee of the results of an election, those Directors so elected shall be seated and take office as members of the Board of Directors at the next regular or special meeting of the Board of Directors; provided, however, in the

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event this Committee, after hearing and deliberation, sets aside the election and orders a new election or changes the results of the election affecting any Director(s), the newly elected Director(s) shall be removed from the Board of Directors pending a new election if such is the case, or replaced by the person newly certified by this Committee to be elected. If a new election is called, the incumbent Director(s) who held the seat prior to election shall continue to hold office until a new election is conducted and the results certified by this Committee.

SECTION 2.08
Agenda & Order of Business.
The agenda and order of business at the Annual Meeting of the members and insofar as possible, at all other meetings of the members, shall be essentially as follows:

1) Report on the number of members present in person and by proxy in order to determine the existence of a quorum.
2) Reading of the notice of the meeting and proof of the due mailing 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 of the members and the taking of necessary action thereon.
4) Presentation and consideration of reports of Officers and committees.
5) Unfinished business.
6) New business.
7) Election of Directors.
8) Adjournment.

Notwithstanding the foregoing, the Board of Directors may from time to time establish a different agenda or order 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.

SECTION 2.09
Rules for the Conduct of the Annual Meeting.
The Board of Directors shall establish the rules for the conduct of the Annual Meeting of the members and provide the rules to the Credentials and Election Committee prior to each Annual Meeting.

ARTICLE III
DIRECTORS

SECTION 3.01
General Powers.
The business and affairs of the Cooperative shall be managed by a Board of twelve (12) Directors and which shall exercise all of the powers of the Cooperative except such as are by law or by the Cooperative's Certificate of Incorporation or Bylaws conferred upon or reserved to the members.

SECTION 3.02
Qualifications.

In order to be eligible to become or remain a Director of the Cooperative, such person must meet the following qualifications:

(a) must be a natural person and a citizen of the United States,
(b) must be at least eighteen (18) years of age,
(c) must have been a member for a minimum of three (3) years, and such three (3) year period may include at the time of application by a director candidate, the membership duration of a spouse, as long as the director candidate applies for and becomes a joint member prior to being elected or appointed as a Director of the Cooperative,
(d) must have a high school diploma or GED,
(e) must be receiving electric service from the Cooperative at his primary residence which shall be for qualification purposes where a member is registered to vote and spends most of his time,
(f) must not have had a membership that has been in a state of suspension as defined in Section 1.12,
(g) must have and sustain the Cooperative's most favorable credit rating as defined in the Service Rules and Regulations, as herein defined in Section 3.15,
(h) must not have been involved at any time in meter tampering reported to law enforcement,
(i) must be legally competent and available to attend regular Board meetings, committee meetings, training and other events. Directors who miss more than two consecutive regular Board meetings may be subject to removal action by the Board. It shall be the duty of the Board to develop additional policy guidelines on attendance requirements,
(j) must not in any way be employed by, financially interested in, or serving as an officer, director, trustee or equivalent for a competing enterprise with the Cooperative or its subsidiaries, or a business that sells products, services or supplies to the Cooperative or its subsidiaries,
(k) must not have a close relative (as hereinafter defined in Section 3.14) who is in any way employed by, financially interested in, or serving as an officer, director, trustee, or equivalent for a competing enterprise with the Cooperative or its subsidiaries, or a business that sells products, services or supplies to the Cooperative or its subsidiaries,
(l) must not have been convicted of a misdemeanor involving moral turpitude or a felony pursuant to state or federal laws,
(m) must not have been a former regular full time employee of the Cooperative or its subsidiaries,
(n) must not have a close relative who is an employee of the Cooperative or its subsidiaries or incumbent director as defined in Section 3.14 of these Bylaws.
(o) must comply with the requirements of the governing conflict of interest policies and guidelines as adopted by the Board and the Cooperative's non-discrimination policy.
(p) Must complete a conflict-of-interest statement as part of the formal candidacy application process that includes disclosure of any nonmember campaign assistance.

All Director candidates, whether nominated by the Nominating Committee or by petition, shall complete a Director Candidate application packet including the execution of a

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release waiver for a complete background check, by the date established in these Bylaws. It shall be the duty of the Nominating Committee, with the advice of Legal Counsel provided by the Cooperative, to determine if a Director Candidate considered by the Nominating Committee, meets the Bylaws qualifications of a Director Candidate.

It shall be the duty of the Credentials and Election Committee, with assistance of the Cooperative's General Counsel, to determine if a Director Candidate by petition, meets the Bylaws qualifications for a Director Candidate.

Notwithstanding the foregoing, if any person being considered for 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. If any person already holding a Directorship or other position of trust in the Cooperative lacks eligibility under this Section, the Board of Directors shall determine whether the loss of eligibility is curable (and may allow a reasonable period to cure the eligibility issue) or whether removal is required to protect the Cooperative or to comply with these Bylaws and applicable law.

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Nothing contained in this Section shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors, unless such action is taken with respect to a matter which is affected by the provisions of this Section and in which one or more of the Directors have an interest adverse to that of the Cooperative.

SECTION 3.03
Election.
At each Annual Meeting of the members, Directors shall be elected by a vote of the members.

Directors shall be elected by a plurality vote of members and the election outcome certified by the Credentials and Election Committee. Drawing by lot shall resolve, where necessary, any tie votes.

SECTION 3.04
Tenure.
Except as provided in Section 3.06, all Directors shall be elected for a three-year term to correspond with the number of Directors whose terms expire; provided, that the terms of no two or more Directorate District Directors, from any Directorate District A, B, C, or D shall coincide.

Upon their election, Directors shall, subject to the provisions of these Bylaws with respect to the removal of Directors, serve until the Annual Meeting of the members of the year in which their term expires and until their successors shall have been elected and shall have qualified. 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 meeting, or at the next Annual Meeting of the members. Failure to hold an

election for a given year shall allow the incumbents whose Directorships would have been voted on to hold over only until the next member meeting at which a quorum is present.

SECTION 3.05
Directorate Districts.
Directors shall be so nominated and elected that the number of Directors who shall be residents of each of the four (4) Directorate districts into which the Cooperative's service area is divided, and described by maps on the inside cover of these bylaws, and such districts shall be as follows:

Directorate District A (Caldwell – includes Caldwell and parts of Alexander and Wilkes Counties), three (3) Directors; Directorate District B (Watauga – includes Watauga and parts of Avery, Caldwell, and Wilkes Counties), three (3) Directors; Directorate District C (Ashe – includes Ashe County and parts of Wilkes County), three (3) Directors; and Directorate District D (Alleghany – includes Alleghany County and parts of Wilkes County), three (3) Directors.

SECTION 3.06
Nominations.
It shall be the duty of the Board of Directors to appoint, at the October Board meeting or at the next meeting opportunity of the Board, a Nominating Committee, consisting of not less than seven (7) and not more than eleven (11) natural persons who are members of the Cooperative, but are not existing or former Cooperative employees, agents, Officers, Directors or close relatives thereof or known candidates to become Directors as defined in Section 3.14 and who are so selected that each of the Cooperative's Directorate Districts shall have representation thereon in proportion to the number of Directors who must be residents thereof, including one additional member representing the membership.

All Director Candidates wishing to be considered through the Nominating Committee process, shall complete and submit the Cooperative's formal Director Candidate application, regarding Bylaws qualifications, on or before the first business day in March to the Cooperative's Senior Vice President and Chief Administrative Officer or other designee.

The Nominating Committee may include one or more nominees for each Director to be elected with respect to any particular Directorate District. The Nominating Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final. Drawing by lot shall resolve, where necessary, any tie votes. The Nominating Committee may not act on any matter unless a majority of the Nominating Committee is present in person.

The Nominating Committee Chairperson or designee shall communicate to the Board of Directors all individuals nominated as candidates by the Nominating Committee to be voted on by the membership. The Chairperson responsible may delegate the formal communication to any potential nominees who submitted a formal application but were

not nominated, to the Cooperative's Senior Vice President and Chief Administrative Officer or other designee.

The Nominating Committee shall prepare and post at the principal office of the Cooperative at least thirty (30) days prior to the Annual Meeting a list of nominations for Directors to be elected, listing separately the nominee or nominees for each office of Director expiring on the day of the Annual Meeting.

A total of twenty (20) or more natural persons who are members of the Cooperative with five being in each of the four directorate districts, acting together, may make additional nomination(s) in writing over their signatures, listing their nominee(s) in like manner, on or before the first business day in April to the Senior Vice President and Chief Administrative Officer. Director Candidates nominated by such petition shall complete a Director Candidate application on or before the first business day in April. If the Credentials and Election Committee verifies the petition and that the Director Candidate meets Bylaws qualifications for a Director Candidate, then the Secretary shall post such nominations at the same place where the list of nominations made by the Nominating Committee is posted. Any such list of nominations shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatory's address as the same appears on such billings.

The Secretary shall mail or submit by electronic means to the members with the notice of the meeting, or separately, but at least thirty (30) days prior to the date of the Annual Meeting, a proxy with the names of the nominee(s), from each District showing separately those nominated by the Nominating Committee and those nominated by petition and determined qualified by the Credentials and Election Committee, if any.

If there is only one nominee for Director in any Directorate District and that person dies or withdraws prior to the Annual Meeting of the members, the Board of Directors shall appoint a Director as soon as practicable from the same Directorate District where the vacancy occurred. This Director shall serve until the Annual Meeting in the following year. Nominations and election of a Director for this seat shall then serve a two (2) year term of office. Following such two (2) year term, a Director elected for this seat shall serve a three (3) year term in office.

SECTION 3.07
Voting for Directors.
From the qualified Director Candidates nominated by either Nominating Committee or by Petition, each member shall be entitled to vote for one Director Candidate for each seat from each Directorate District from which a Director must be elected except in the event of a Director election for a two-year term as defined in Section 3.06. Any ballot or proxy marked in violation of the foregoing shall be invalid.

SECTION 3.08
Removal of Directors.
Any member may bring one or more charges for cause against any one or more Directors and may request the removal of such Director(s) by reason thereof, by filing

with the Secretary such charges in writing together with a petition signed by not less than ten per centum (10%) of the total members of the Cooperative, which petition calls for a meeting thereon. The petition shall be signed by each member in the same name as he is billed by the Cooperative and shall state the signatories' address as it appears on such billings. Any Director whose name appears on said petition for the removal of such Director shall be informed by the Cooperative in writing of the charges and be mailed a copy of the petition within seven (7) days after the filing of said petition with the Secretary. The Board of Directors, or the Chief Executive Officer in the event that the entire Board of Directors is charged, shall set the time and date and place of a meeting of the membership for the purpose of considering the petition and charges not less than forty (40) days after the filing of such petition and not more than one hundred and twenty (120) days after the filing of such petition. Notice to the membership shall contain a statement of the charges verbatim, and the names of Directors against whom the charges have been made. Such notice shall be mailed to each member not fewer than ten (10) days, nor more than ninety (90) days prior to the member meeting at which the matter will be acted upon as prescribed by North Carolina law.

Any Director charged in a petition for removal shall have the opportunity at the meeting of the membership to be heard in person or by Counsel, and to present evidence in respect to the charges; and the person or persons bringing the charges against such Director(s), separately for each, if more than one has been charged, shall have the same opportunity, and shall be heard first.

The question of the removal of a Director shall not be voted upon at all unless some evidence in support of the charge against any Director shall have been presented during the meeting through oral statements, documents or otherwise. The chairman of the meeting shall be appointed by the Board of Directors and shall determine whether the evidence presented is sufficient to submit the issue of removal to the membership. Upon a determination of sufficiency of evidence, the chairman shall submit the question of removal to the membership for vote. In the event one or more Director(s) is removed by the affirmative vote of a majority of the members present at hearing, the Board of Directors shall call for an election to fill any vacancies created by removal within six (6) months of such removal; unless the next Annual Meeting of the membership is scheduled within six (6) months and more than sixty (60) days from the creation of a vacancy by removal, then any vacancy shall be filled by election at the next Annual Meeting. Candidates to fill a vacancy created by removal shall be nominated as provided in Section 3.06 and shall serve the balance of the term of the Director so removed.

A newly elected Director shall be from the same Directorate District as the Director whose office he succeeds.

If all the members of the Board of Directors are removed at such membership meeting assembled to consider a petition for removal, the membership shall elect an interim Board of Directors to serve until an election can be held to fill any vacancies created by removal as provided in this section. Such interim Board members shall be nominated from the floor and shall be from the Directorate District as the Director whose office he

succeeds.

If any person already holding a Directorship or other position of trust in the Cooperative lacks eligibility under Section 3.02, the Board of Directors shall proceed in accordance with Section 3.02.

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SECTION 3.09
Vacancies.
Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Directors by the members or by the Board as provided in Sections 3.02 and 3.08, or a vacancy occurring as a result of the outcome of an election in 3.03 in the Board of Directors, the vacancy shall be filled by the affirmative vote of a majority of the remaining Directors. With respect to a vacancy resulting from the death, disability or retirement of any member of the Board of Directors, the vacancy shall be filled by an appointment recommendation approved by the affirmative vote of a majority of the remaining directors if the unexpired term of the vacating Director is one (1) year or more from the end of the term. A Director thus elected or appointed shall be a resident of the same Directorate District of which the Director whose office he succeeds was a resident, and shall serve the entire balance of the term of the Director whose office he succeeds.

SECTION 3.10
Compensation, Expenses, Indemnification.
For their services as Director, Directors shall be compensated by policies established and approved by 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 reasonably incurred in accordance with the Cooperative's established policies. A Director is not and shall not be an employee of the Cooperative entitled to compensation beyond that provided in policy. The Cooperative shall indemnify Directors and Officers, including the Chief Executive Officer, and other Corporate Officers against liability to the extent that their acts or omissions constituting the grounds for alleged liability are or were, if actionable at all, based upon good faith business judgments in the belief the acts or omissions were not against the best interests of the Cooperative; and the Cooperative may purchase insurance to cover such indemnification.

SECTION 3.11
Rules, Regulations, Rate Schedules & Contracts.
The Board of Directors shall have the power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid to construction, not inconsistent with law or the Cooperative's Certificate of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 3.12
Accounting System & Reports.
The Board of Directors shall cause to be established and maintained 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 financial operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding Annual Meeting by hand delivery, mail or electronic means. The Board of Directors may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 3.13
Distribution of the Cooperative's Member Newsletter and Other Member Information Publications.
For the purpose of disseminating information about the operations and plans of the Cooperative, the Board of Directors shall be empowered to circulate to the members the Cooperative's newsletter and any other informational publications by mail or electronic means, the cost of which shall be paid from the operating funds of the Cooperative.

SECTION 3.14
Close Relative Defined.
As used in these Bylaws, "close relative" means a person who, by blood or in-law or marital-like relationship, including step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece of the principal. The common law definition of in-law shall be used.

SECTION 3.15
Cooperative's Most Favorable Credit Rating Defined.
Any member who has fulfilled all obligations of the member for any and all accounts under the member's name and who, within the previous twelve months has had: 1) not more than one returned check or two late payments; 2) no involuntary disconnections; 3) honored all extensions and payment arrangements; or 4) no violation of meter tampering at any time.

ARTICLE IV
MEETINGS OF DIRECTORS

SECTION 4.01
Regular Meetings.
A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the Annual Meeting of the members, or as soon thereafter as conveniently may be at such site as designated by the Board of Directors in advance of the Annual Meeting. A regular meeting of the Board of Directors constitutes required attendance and shall also be held monthly at such date, time and place in Caldwell County, North Carolina, or in any other county in which the Cooperative operates, as the Board of Directors shall provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof,

except when business to be transacted thereat shall require special notice; provided, that any Director absent from any meeting of the Board of Directors at which such a 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 of Directors, and provided further that, if established as policy by the Board of Directors, the President may change the date, time or place of a regular monthly meeting for good cause and upon at least five (5) days notice thereof to all Directors. Regular meetings, upon proper notice as otherwise provided herein, may also be held via telephone conference call, video conference, or other electronic means, without regard to the actual location of the Directors at the time of such telephone conference, video conference, or electronic meeting, if all the Directors consent thereto.

SECTION 4.02
Special Meetings.
Special meetings of the Board of Directors may be called by Board resolution, by the President or by any five (5) 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 4.03. The Board of Directors, the President or the Directors calling the meeting shall fix the date, time and place for the meeting, which shall be held in one of the counties served by the Cooperative unless all Directors consent to its being held in some other place in North Carolina or elsewhere. Special meetings, upon proper notice as otherwise provided herein, may also be held via telephone conference call, video conference, or other electronic means, without regard to the actual location of the Directors at the time of such telephone conference, video conference, or electronic meeting, if all the Directors consent thereto.

SECTION 4.03
Notice of Directors' Meetings.
Written, printed, or electronic notice of the date, time, place or telephone conference call or video conference and purpose or purposes of any special meeting of the Board of Directors and, when the business to be transacted thereat shall require such, of any regular meeting of the Board of Directors shall be delivered to each Director not less than five (5) days prior thereto, either personally, by mail, or via electronic means in compliance with North Carolina law. Such notice shall be given 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 in the case of any meeting whose date, time and place have already been fixed by Board resolution. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Director at his address as it appears on the records of the Cooperative, with first-class postage thereon prepaid, and postmarked at least five (5) days prior to the meeting date. If sent via electronic means, such notice shall be deemed to be delivered at the time it is sent, provided the Director has previously requested or agreed to receive notice in this manner. The attendance of a Director at any meeting of the Board of Directors 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 not have been

lawfully called or convened.

SECTION 4.04
Quorum.
The presence of a majority of the Directors in office shall constitute a quorum and shall be required for the transaction of business. The affirmative votes of a majority of the Directors present shall be required for any affirmative 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 of 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 any absent Directors to be duly notified of the time and place of such adjourned meeting.

SECTION 4.05
Action Without a Meeting.
Except as otherwise limited by law, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken unanimously by all Directors in office and is evidenced by one or more written or electronic consents describing the action taken, signed by each Director supporting the action, delivered to the Cooperative, and included with the minutes of the proceedings of the Board of Directors. Unless a different effective date is specified in the consent, action taken by such consent is effective when the last voting Director signs the consent, and the consent has the same force and effect as an approved vote of the Board of Directors taken at a duly called and held meeting. Signature includes an email response from a Director's known email address.

ARTICLE V
OFFICERS

SECTION 5.01
Number & Title.
The Officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, Assistant Secretary-Treasurer, Chief Executive Officer, 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.

The President, Vice President, Secretary, Treasurer, and Assistant Secretary-Treasurer ("Board Officers" or "Corporate Officers Group") shall be members of the Board of Directors and shall hold those same offices on the Board of Directors. The Chief Executive Officer shall not be a member of the Board of Directors.

SECTION 5.02
Election & Term of Office.
Board Officers listed in Section 5.01 shall be elected by written ballot, annually and without prior nomination, by and from the Board of Directors at the first regular meeting of the Board of Directors held after each Annual Meeting of the members. If more than

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two Board members are nominated and no nominee receives a majority of the votes, there shall be a runoff between the top two vote recipients. Drawing by lot shall resolve, where necessary, any tie votes.

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 regular meeting of the Board of Directors first held after the next succeeding Annual Meeting of the members or until his successor shall have been duly elected and shall have qualified, subject to the provisions of these 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 or appointed by the Board of Directors from among such persons, and with such title, tenure, responsibilities and authorities, as the Board of Directors may from time to time deem advisable.

SECTION 5.03
Removal.
Any Officer, agent, or employee elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will thereby be served.

SECTION 5.04
Vacancies.
A vacancy in any office elected by the Board of Directors may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5.05
President.
The President shall:
(a) be the principal 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) sign, with the Secretary, certificate of membership, the issue of which shall have been 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, 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 5.06
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, 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 5.07
Secretary.
The duties of the office of Secretary shall be to:
(a) keep, or cause to be kept, the minutes of meetings of the members and of the Board of Directors in one or more books provided for that purpose;
(b) see that all notices are duly given in accordance with these Bylaws or as required by law;
(c) 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 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, or cause to be kept, a register of the name and post office address of each member, which address shall be furnished to the Cooperative by such member;
(e) have general charge of the books of the Cooperative in which a record of the members is kept;
(f) keep on file at all times a complete copy of the Cooperative's Certificate of Incorporation and 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, furnish a copy of such documents and of all amendments thereto upon request to any member; and
(g) in general, perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 5.08
Treasurer.
The duties of the office of Treasurer shall be to:
(a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
(b) receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit or invest all such moneys 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 the Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

The duties of the offices of Secretary and Treasurer may be performed by one Director serving as Secretary-Treasurer.

SECTION 5.09
Assistant Secretary-Treasurer
In the event that the Secretary-Treasurer is unable to fulfill his assigned responsibilities, the Assistant Secretary-Treasurer shall perform all duties incident to the office of

Secretary-Treasurer (as described in Sections 5.07 and 5.08), and such other duties as may be prescribed by the Board of Directors.

SECTION 5.10
Delegation of Secretary's & Treasurer's Responsibilities.
Notwithstanding the duties, responsibilities, and authorities of the Secretary and of the Treasurer herein before provided in Sections 5.07 and 5.08, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of such Officers' duties to one or more agents or other Officers of the Cooperative who are not Director. To the extent that the Board of Directors does so delegate with respect to either such Officer, that Officer as such shall be released from such duties, responsibilities, and authorities.

SECTION 5.11
Chief Executive Officer & Executive Vice President.
The Board of Directors shall elect or appoint a Chief Executive Officer who shall serve as General Manager who may be, but shall not be required to be, a member of the Cooperative, and who shall not be a Director. The Chief Executive Officer shall perform such duties as the Board of Directors may from time to time require of him and have such authority as the Board of Directors may from time to time vest in him.

The Chief Executive Officer shall also be elected or appointed by the Board to hold the corporate office of Executive Vice President and be vested with the powers to commit and bind the Corporation to contracts and other obligations as the Vice President of the Corporation may do; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors as Executive Vice President.

SECTION 5.12
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 such 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. The cost of all such bonds shall be borne by the Cooperative.

SECTION 5.13
Compensation, Indemnification.
The compensation, if any, of any Officer who is also a Director or agent shall be determined as provided in Section 3.10 of these Bylaws, and the powers, duties, and compensation of any other Officers, agents, and employees may be fixed by the Board of Directors or delegated to the Chief Executive Officer with Board oversight and approval, except that the compensation of the Chief Executive Officer is fixed by the Board of Directors. The Cooperative may indemnify the Directors, Officers, employees and agents, including former employees and agents as well as former Directors and

Officers, against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interest of the Cooperative or were not against the best interest of the Cooperative; and the Cooperative may purchase insurance to cover such indemnification or to cover any other liability incurred by the Directors, Officers, employees, and agents, including former employees and agents as well as former Directors and Officers, acting in their capacity as such, to the extent permitted by law.

SECTION 5.14
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 VI
CONTRACTS, CHECKS, & DEPOSITS

SECTION 6.01
Contracts.
Except as otherwise provided in these Bylaws, the Board of Directors may authorize any Officer or Officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 6.02
Checks, Drafts, etc.
All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such Officer or Officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 6.03
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 authorize.

ARTICLE VII
NONPROFIT OPERATION AND CAPITAL
SECTION 7.01
Definitions.
As used in this Article,
(a) “Patron” shall mean (1) a member in accordance with the provisions of these Bylaws, (2) a non-member purchasing wholesale or retail electric energy on a patronage basis as evidenced by policies, resolutions or contract (collectively

"authority") and (3) a member and/or non-member to whom the Cooperative furnishes goods or services, other than electric energy, on a patronage basis as evidenced by applicable authority. Notwithstanding other provisions of these Bylaws and applicable authority, "Patron" does not include another electric utility or energy provider to whom the Cooperative furnishes wholesale or point to point delivery services through an interconnection.

(b) "Patronage" shall mean the quantity or value of the goods or services purchased and/or used by the Patrons during the fiscal year. An allocation "on the basis of Patronage" shall mean an allocation based on the quantity or value of such goods or services provided to a Patron in a proportionate manner based on the total quantity or value of such goods or services for all Patrons. As provided elsewhere in Article VII of these Bylaws, the Board of Directors has the authority to adopt policies or Board resolutions for establishing the method used for a proportionate allocation on the basis of Patronage and for annually determining the amount of Patronage for each Patron.

(c) "Patronage Capital Credit" shall mean the amounts allocated to and contributed by the Patron to the Cooperative as capital.

(d) "Retirement" shall mean the redemption and payment in cash or other property of allocated Patronage Capital Credits to the Patrons or former Patrons to whom such amounts were previously allocated.

SECTION 7.02
Interest on Capital Prohibited.
The Cooperative shall at all times be operated on a cooperative nonprofit basis for the mutual benefit of its Patrons. No interest shall be paid or payable by the Cooperative on any capital furnished by its Patrons.

SECTION 7.03
Patronage Capital in Connection with Furnishing Electric Energy.
(a) 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.

(b) In order to induce Patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a Patronage basis to all its Patrons for all amounts received and receivable from and directly related to the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy (hereinafter referred to as the "Net Electric Margins").

(c) All such Net Electric Margins are received with the understanding that they are furnished by the Patrons as capital. The Cooperative is, therefore, obligated to equitably allocate and pay by credits to a capital account for each Patron all such margins.

(d) 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 allocated to and contributed 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 his account. All such amounts allocated and 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 contributed corresponding amounts to the Cooperative for capital.

(e) Provided, however, if costs and expenses exceed the amounts received and receivable from and directly related to the furnishing of electric energy, hereinafter referred to as "loss", the Board of Directors shall have the authority, under accepted accounting practices, loan covenants, and federal cooperative tax law, to prescribe the accounting procedures under which such loss may be addressed.

(f) Notwithstanding other provisions of this article, the Board of Directors, acting through policy or Board resolution, has the authority to determine the kind, timing, method and type of allocation; provided however, that such methods are fair and equitable on the basis of Patronage. This includes, but is not limited to, the authority to determine the items of revenue included in the definition of Patronage; provided, however, such items of revenue are directly related to the furnishing of electric energy sold by the Cooperative on a wholesale or retail basis to the Patron(s). Except as may be provided by contract, wholesale or point to point delivery services provided solely through an interconnection, rather than a purchase power or similar agreement, are excluded from the calculation of a Patron's Patronage for allocating Patronage Capital Credits. Such allocation methods may include separate allocation units for recognizing differences in contributions to margins among rate classes, goods or services provided in the furnishing of electric energy. The Board of Directors, acting through policy or Board resolution, shall also determine the process for annually calculating the Net Electric Margins; provided, however, such annual determination is consistent with federal cooperative tax law.

(g) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding Patronage Capital Credits shall be retired without priority on a prorated basis before any payments are made on account of property rights of members; provided, that insofar as gains may at that time be realized from the sale of any appreciated asset, such gains shall be distributed to all persons who were Patrons during the period the asset was owned by the Cooperative in proportion to the total amount of Patronage of such Patrons during that period insofar as is practicable, as determined by the Board of Directors, before any payments are made on account of property rights of members.

(h) 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 Patrons' or former Patrons' accounts may be generally retired in full or in part in cash or such other property as the Board of Directors may determine.

Notwithstanding any other provisions of these Bylaws, the Board of Directors shall determine the timing, amount, method, basis, priority, and order of Retirement, if any.

(i) The Board of Directors, acting under policies of general application or Board resolution, may establish a fixed sum at or below which the Patronage Capital Credits of any former Patron may be retired in full as de minimis; provided, however, such Retirements of de minimis Patronage Capital Credit balances shall be made only in conjunction with a general Retirement to other Patrons and if the financial condition of the Cooperative will not be impaired thereby.

(j) When Retirements of capital are made to the Patrons, the Cooperative shall be obligated to pay to each Patron or former Patron his share of the capital so retired in accordance with these Bylaws in whatsoever manner (i.e. cash, check or bill credit) that the Board of Directors determines most efficient and convenient. The Board of Directors may also establish a nominal fixed amount below which a check shall not be issued and the amount of such retired but unpaid Patronage Capital Credits will be paid in the first following year when the total amount of Patronage Capital Credits qualifying for Retirement exceeds that nominal amount set by the Board of Directors, including the amount carried over. Regardless of the nominal fixed amount set by the Board of Directors, however, a check shall be issued to a former Patron if all such Retirements fully retires the Patronage Capital Credits balance of such former Patron.

(k) The Board of Directors, acting under policies of general application to situations of like kind or as may be negotiated from time to time or Board resolution, may approve an early Retirement prior to when such Patronage Capital Credits would generally be retired; provided, however, that the financial condition of the Cooperative will not be impaired thereby. The payment portion of such early Retirement shall be on a discounted and net present value basis in order to reflect the time value of money due to the early Retirement of said Patronage Capital Credits. Such policies shall establish the criteria used in determining the discounted and net present value of early Retirements and shall take into considerations market based discount rates. The difference between the total amount of Patronage Capital Credits retired and the cash payment of such early Retirement shall be considered a contribution of capital to and part of the net savings of the Cooperative.

(l) Notwithstanding any other provisions of these Bylaws, the Board of Directors shall, at its discretion, have the power at any time upon the death of any Patron or former Patron, who was a natural person, (or, if as so provided for in the preceding paragraph, upon the death of an assignee of the Patronage Capital Credits of a Patron or former Patron, which assignee was a natural person) if the legal representatives of his estate shall request in writing that the unretired Patronage Capital Credits of such Patron or former Patron be retired prior to the time such

capital would otherwise be retired under the provisions of the Bylaws, to retire such capital immediately upon a discounted and net present value basis as the Board of Directors, acting under policies of general application to situations of like kind or Board resolution, shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

(m) The Cooperative, before retiring any amount of Patronage Capital Credits for a Patron or former Patron, shall deduct therefrom any amount owing by such Patron to the Cooperative, plus accrued interest thereon at the North Carolina legal rate in effect when such amount became overdue, compounded annually. The Cooperative's right of offset applies to the amount retired and approved for payment.

(n) Subject to the right of offset for amounts owed the Cooperative, unretired Patronage Capital Credits of each Patron or former Patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such Patron's premises served by the Cooperative, unless the Board of Directors, acting under policies of general application or Board resolution and the laws of the State of North Carolina, shall direct otherwise. Nothing contained herein shall also give unto any Patron a vested right to assign any part of such Patronage Capital Credits.

SECTION 7.04.
Patronage Capital from Associated Organizations.
If the Cooperative is a member, Patron or owner of an entity or organization from which the Cooperative uses or purchases a good or service, which is used in or directly related to the furnishing of electric energy and other goods or services on a Patronage basis to its Patrons, and from which the Cooperative is allocated a capital credit or similar amount, then as determined by the Board of Directors and consistent with this Bylaw, the Cooperative may separately identify and allocate on the basis of Patronage to the Cooperative's Patrons this capital credit or similar amount allocated by the entity or organization. If the Cooperative separately identified and allocated to its Patrons such Patronage Capital Credits received from an entity or organization, the Cooperative may retire and pay such Patronage Capital Credits only after the entity or organization retires and pays the Patronage Capital Credits or similar amounts to the Cooperative. Except as provided below, any such Patronage Capital Credits allocated and retired pursuant to this Section 7.04 shall be allocated and retired using methods substantially consistent with those methods described in Section 7.03 above.

(a) The Board of Directors, acting through policy or Board resolution, has the authority to determine the kind, timing, method and type of allocation; provided however, that such methods are fair and equitable on the basis of Patronage. Such determinations of Patronage and methods of allocation may be the same as or different as those established pursuant to Sections 7.03 and 7.05 and may also include separate allocation units for recognizing differences in contributions to margins among rate classes, goods or services. Except as may be provided by contract, wholesale or point to point delivery services provided solely through an

interconnection, rather than a purchase power or similar agreement, are excluded from the calculation of a Patron's Patronage for allocating Patronage Capital Credits.

(b) If the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby and subject to the right of offset, the capital then credited to Patrons' or former Patrons' accounts and separately identified as being from an Associated Organization may be generally retired in full or in part in cash or such other property as the Board of Directors may determine. Notwithstanding any other provisions of these Bylaws, the Board of Directors shall determine the method, basis, priority, and order of Retirement, if any. The Board of Directors is also authorized to adopt policies or Board resolutions for the extent to which the provisions of Section 7.03 shall apply regarding early Retirements for de minimis Patronage Capital Credit balances, nominal amounts below which a check for a general Retirement will not be issued, and early retirements on a discounted and net present value basis.

SECTION 7.05
Patronage Capital in Connection with Furnishing Other Goods or Services.
In the event that the Cooperative, other than through a subsidiary corporation or business entity in which the Cooperative owns an interest, should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom shall be retained by the Cooperative in amounts not in excess of the reasonable needs of the Cooperative or, allocated to the Cooperative's Patrons as its Board of Directors may determine from time to time.

Patronage capital allocated and retired pursuant to this Section 7.05 shall be made consistent with the following:

(a) The Board of Directors shall determine which other goods or services and to whom such other goods or services are provided on a Patronage basis. Accordingly, the term "Patron" may refer to members only or to all Patrons, members and non-members alike. All such determinations, required from time to time under this Section 7.05 and made by the Board of Directors, shall be through applicable authority, including policy, resolution or contract;

(b) The Board of Directors shall have the authority under accepted accounting practices, loan covenants and federal cooperative tax law to prescribe the manner in which losses derived from such other goods or services may be handled;

(c) The Retirement of Patronage Capital Credits allocated to such Patrons shall be considered and made by the Board of Directors from time to time subject to the same limitations and guidance of Section 7.03, except as otherwise provided for in policy; and

(d) To the extent other goods or services are provided on a non-patronage basis, the purchasers of which are not entitled to receive an allocation of Patronage Capital

Credits, the net earnings of which shall be retained as part of the Cooperative's net savings.

SECTION 7.06
Interest in Separate Business Entities.
The Cooperative may, by action of its Board of Directors, form, organize, acquire, hold, dispose of, and operate any interest in a separate business entity to the fullest extent permitted by, and in accordance with, the law as in effect from time to time, including without limitation as provided by and in accordance with N.C.G.S. 117-18.1 as it may be subsequently amended or by any successor statute.

SECTION 7.07
Net Earnings from Non-Patronage Business.
Revenue, income and gains in excess of expenses and losses from the provision of a good or service not provided to the Patrons on a Patronage basis, including earnings or losses from a subsidiary corporation, insofar as permitted by law, may be used by the Cooperative to offset any losses incurred during the current or any prior year, to retain as capital not distributable to the Patrons except in the event of dissolution of the Cooperative and to the extent not needed for these purposes, allocated to the Patrons on a Patronage basis at the discretion of the Board of Directors.

SECTION 7.08
Net Savings.
Unless otherwise determined by the Board of Directors, unallocated reserves and retained capital are not currently distributable to the Patrons as Patronage Capital Credits. However, all such amounts are subject to property rights of members and are subject to use by the Cooperative consistent with its obligations of prudent financial management. Notwithstanding other provisions of these Bylaws and insofar as permitted by law, such amounts are available to offset any current or future loss of the Cooperative and may be comprised of, but not limited to:

(a) Capital arising from assignments or other contributions of capital made by a Patron or former Patron;

(b) The difference between the amount of Patronage Capital Credits retired early on a discounted and net present value basis and the cash payment portion of such early Retirements;

(c) The net earnings from non-patronage business; and

(d) Other amounts as may be determined from time to time by the Board of Directors.

SECTION 7.09
Reasonable Reserves.
Notwithstanding other provisions of these Bylaws and to meet the reasonable needs of the Cooperative, the Cooperative may accumulate and retain amounts exceeding those needed to meet current losses and expenses ("Reasonable Reserves").

SECTION 7.10
Patron Agreement.
The Patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Certificate of Incorporation, Bylaws, policies, Board resolutions, rules and regulations 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 provisions.

Deleted: Articles

ARTICLE VIII
WAIVER OF NOTICE

SECTION 8.01
Waiver of Notice.
Any member or Director may waive, in writing or by affirmative vote, any notice of meetings required to be given by these Bylaws.

ARTICLE IX
DISPOSITION & PLEDGING OF PROPERTY: Merger or Consolidation; Distribution of Surplus Assets on Dissolution

SECTION 9.01
Disposition & Pledging of Property.
The Cooperative shall not sell, mortgage, lease, or otherwise encumber or dispose of any of its property (other than merchandise and property which lie within the limits of an incorporated city or town, or which shall represent not in excess of ten per centum (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 cast in person or by proxy by at least two-thirds of its total membership and by the consent of the holders of seventy-five per centum (75%) in amount of the Cooperative's then outstanding bonds. Notwithstanding the foregoing provisions, the members of the Cooperative may, by the affirmative majority of the votes cast in person or by proxy at any meeting of the members, delegate to the Board of Directors the power and authority (i) to borrow money from any source and in such amounts as the Board of Directors may from time to time determine, (ii) to mortgage or otherwise pledge or encumber any or all of the Cooperative's property or assets as security therefor, and (iii) to sell and lease back any of the Cooperative's property or assets.

In any member vote regarding approval of a matter described in Section 9.01, any member who is not in a status of suspension may cast his, her, or its vote in person or by proxy to the fullest extent permitted by law.

SECTION 9.02
Merger or Consolidation.
Any favorable consideration by the Board of Directors to merge or consolidate the

Cooperative with any other electric membership corporation shall be submitted to the membership for consideration thereof, and the Board of Directors shall call a special meeting of the members for such purpose; provided, that consideration thereof by the members may be given at the next Annual Member Meeting if the Board of Directors so determines it appropriate. Approval by the membership shall be based on at least two-thirds favorable vote of those members present at said meeting.

SECTION 9.03
Distribution of Surplus Assets on Dissolution ("Property Right of Members").
The Cooperative may be dissolved as provided for by law. Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall, to the extent practicable as determined by the Board of Directors and not inconsistently with the provisions in Section 7.03 (g) of these Bylaws and N.C.G.S. §117-24, be distributed among the members and former members in the proportion with which the aggregate Patronage of each bears to the total Patronage of all members and former members over the period for which the remaining assets were owned and/or accumulated; provided, however, that, if in the judgment of the Board of Directors the amount of such surplus is too small to justify the expense of making such distribution, the Board of Directors may, in lieu thereof, donate, or provide for the donation of, such surplus to one or more nonprofit charitable or educational organizations that are exempt from federal income taxation.

ARTICLE X
FISCAL YEAR

SECTION 10.01
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 XI
RULES OF ORDER

SECTION 11.01
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 of any other committee 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 Certificate of Incorporation or Bylaws.

ARTICLE XII
SEAL

SECTION 12.01
Seal.

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

ARTICLE XIII
AREA COVERAGE

SECTION 13.01
Area Coverage.
The Board of Directors shall make diligent effort to see that electric service is extended to all unserved persons within the Cooperative service area who (a) desire such service, and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

ARTICLE XIV
AMENDMENTS

SECTION 14.01
Amendments.
These Bylaws may be altered, amended, or repealed by resolution adopted by the Board of Directors at any regular or special Board of Directors meeting, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal, or an accurate summary explanation thereof. Except for non-substantive changes (punctuation, capitalization, renumbering, etc.) to these Bylaws, a summary of such alterations or amendments or repeal shall be sent by mail or by electronic means to each member of the Cooperative after any such shall have been adopted by the Board of Directors. A copy will be posted on the Cooperative’s website and a copy will be provided to any requesting member.

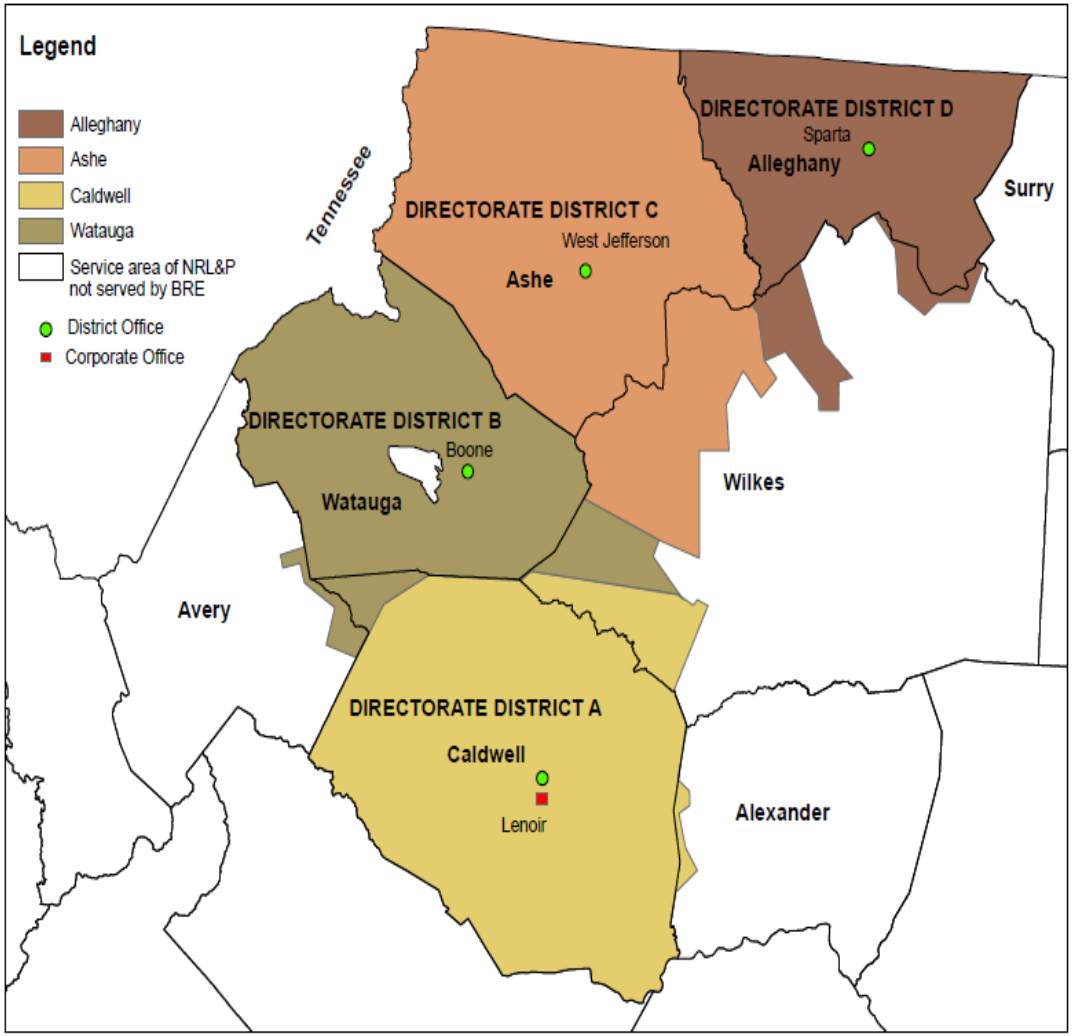
ARTICLE XV
CONSTRUCTION

SECTION 15.01
Construction.
Feminine or entity pronouns shall be substituted for those masculine form or vice versa, and the plural shall be substituted for the single number or vice versa in any place or places in which the context may require such substitution in these Bylaws.

Date Adopted: January 18, 1964
Last Date Revised: August 27, 2026

Deleted: 28
Deleted: 2025

Blue Ridge Electric Membership Corporation reserves the right to modify, rewrite, or amend the Bylaws of the Cooperative as deemed necessary by the Board of Directors.



Note: Parts of Caldwell County are not served by BRE. Caldwell residents served by Duke Energy or the Town of Granite Falls are not considered part of the Caldwell Directorate District.