

LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION
Minutes of the Regular Meeting of the
Board of Directors
September 20, 2022

Pursuant to due notice thereof, a meeting of the Board of Directors of the Lumbee River Electric Membership Corporation was held at the Corporation's headquarters in Pembroke, North Carolina, beginning at 5:30 p.m., Tuesday, September 20, 2022. Directors present in person were Chairman Rory Eddings, Vice-Chairman Erice Locklear, Secretary Ronald G. Hammonds, Treasurer Anthony Hunt, Kirk Lowery, Roger Oxendine, Rhonda Goins Dial, Autry Lowry, James Hardin, Spencer Locklear, Elaine O. Chavis, Ronald Anderson and Sherry Carter. Also present were the Interim CEO Randall Jones and Grady Hunt representing Hunt & Brooks, the Corporation's general counsel.

Chairman Rory Eddings called the meeting to order, and prayer was said by Roger Oxendine.

1. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE ADOPTION OF THE AGENDA AS AMENDED.
2. Ms. Cynthia Stiles introduced 1st Class Power Line Technician Chance Leggett to the directors.
3. Member comments were presented by Larry Jacobs concerning disqualification of nominee as director, Patsy Chavis on behalf of Great Light Community Church concerning Candidates' Forum and Lynn Locklear concerning the disqualification of nominee as director. (Copy of member comments attached.)
4.
 - a. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE AUGUST 16, 2022 REGULAR BOARD MEETING.
 - b. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE SEPTEMBER 12, 2022 FIANANCE & AUDIT COMMITTEE MEETING.
 - c. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES FOR THE SEPTEMBER 12, 2022 POLICY COMMITTEE MEETING.

SECRETARY RONALD G. HAMMONDS, CHAIRMAN OF THE POLICY COMMITTEE, PRESENTED THE RECOMMENDATIONS OF THE POLICY COMMITTEE FROM THE SEPTEMBER 12, 2022 OF POLICY COMMITTEE MEETING TO THE FOLLOWING POLICIES:

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 111 AS AMENDED.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO TABLE POLICY 206 FOR FURTHER REVIEW AND CONSIDERATION.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 208 AS AMENDED, EXCEPT TO NOT AMEND PART III, PARAGRAPH E.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 211 AS AMENDED.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 305 AS AMENDED.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 319 AS AMENDED.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 322 AS AMENDED.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 403 AS AMENDED. RONALD G. HAMMONDS VOTED AGAINST APPROVAL AS AMENDED.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 424.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO TABLE POLICY 428 FOR FURTHER REVIEW AND CONSIDERATION.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 508 AS AMENDED.

AFTER DISCUSSION AND DELIBERATION, A MOTION WAS DULY MADE AND RESOLVED TO APPROVE POLICY 516 AS AMENDED.

7. Mr. Mark Walters presented the Safety Report indicating that there were two motor vehicle incidents reported for the month of August 2022. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE SAFETY REPORT.
8. Mr. Ronald G. Hammonds reviewed the secretary report for the month of August 2022 with the directors. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE SECRETARY REPORT.
9. Mr. Anthony Hunt reviewed the Treasurer Report (Form 7) with the directors for the month of August 2022. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE TREASURER REPORT (FORM 7).
10. Mr. Lisa Kennedy, CFO, Cooperative Services Center, reviewed the August 2022 Finances and August Estate Retirements. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE AUGUST 2022 ESTATE RETIREMENTS.

September 14, 2022

MEMORANDUM

TO: Ron Anderson, Sherry Carter, Elaine Chavis, Rhonda Dial, Ronald Hammonds J
James Hardin, Tony Hunt, Eric Locklear, Spencer Locklear, Kirk Lowery, Autry
Lowry, Roger Oxendine

FROM: Larry Jacobs LREMC Member/Candidate for the LREMC Board of Directors
91 Annease Drive
Fairmont, NC 28340
Cell Phone 910-785-0447 email ldjac65449@gmail.com

This memorandum will serve as a notice that Mr. Roger Oxendine does not qualify to be a candidate for a Director of Lumbee River EMC because of the reasons that I have presented below.

Mr. Oxendine is Chairman of the Board of Directors at Comtech Business Park located at 49 Livermore Dr., Pembroke NC. The Chairman is the highest-ranking principal or officer of a Firm which could be organized as a C-Corp, LLC, S-Cor, Partnership, non-profit and etcetera. The Chairman of the Board and/or a Board member are engaged contractually, whether expressed (written) or implied (unwritten), to fulfill certain fiduciary responsibilities one of which is undivided loyalty to the Firm that he/she is a Board Member. You cannot have undivided loyalty while serving on a Board (Comtech) that contracts with another Board (Lumbee River) in which you also serve as a Board member. This is the kind of conduct that Lumbee River's Bylaws Section 5:02 is attempting to prevent because it is clearly a conflict of interest. Mr. Oxendine is a Board member of Comtech which makes him a principal of the firm, Comtech, that contracts with the Cooperative, Lumbee River, thereby making him ineligible to be a candidate for the Board of Directors of Lumbee River EMC. It should be noted that the Bylaws do not address the dollar amount of the contracts nor the number of contracts consequently one contract with a nominal value is enough to be construed as a conflict of interest.

Since Mr. Roger Oxendine is a Board Member of a Firm, Comtech, that contracts with a Cooperative, Lumbee River EMC, the Bylaws of the Cooperative, Section 5:02 1.e.ii GENERAL DIRECTOR QUALIFICATIONS Prohibits Mr. Oxendine to be a candidate for the Lumbee River EMC Board of Directors. Lumbee River required each candidate to complete the following forms "QUESTIONS CONCERNING QUALIFICATIONS FOR DIRECTORS." Question number 8 asked the following "Have you ever been engaged contractually (as an employee, principal, owner, partner, or shareholder, except through passive investment) with any firm that contracts with the Cooperative or any Cooperative subsidiary as a prime contractor or sub-contractor?" Based on the foregoing

information Mr. Oxendine should have responded with a decisive YES, I have which would have disqualified him as a candidate. There should be no uncertainty in anyone's mind that Mr. Oxendine, which is the Chairman of the Board of a firm that contracts with Lumbee River, should be disqualified as a candidate for the Board of Directors to stay in compliance with the Corporation's Bylaws.

Section 5.09 Removal of Directors by Board

Upon a Director's loss ofeligibility under section 5.02, such Director's seat shall be declared vacant by the remaining Members of the Board and such vacancy shall be filled in accordance with Section 5.10. It is the Board of Directors responsibility to ensure the integrity of the election and to safeguard and abide by the Bylaws. This instrument serves to protect the Cooperative and its 60,000 members. It is not an instrument that should be followed it is an instrument that must be followed.

Dishonesty and failure to abide by the Bylaws will do irretrievable damage to the Cooperative. The decisions that you make today will follow you through your tenure as a Board Member. Honesty, truthfulness, undivided loyalty will never harm you. The Cooperative, Members, and employees deserves these attributes listed above.

I want to make it abundantly clear that I am not a lawyer consequently, I have extracted information from legal materials that explain the legal terms that I used in the above paragraphs as attachments to this Memorandum.

Attachment one

Definition of chair of the board

What Is an Implied Contract?

Attachment two

Section 5.02 Qualifications for a director

Attachment 1

Definition of chairman of the board

: the principal officer of a Firm (C-Corps, LLC's, S-Corps, non-profits, Etc.) who presides over its board of directors and oversees its activity by bringing forward for discussion and action problems arising from conflict of interest, problems stressing financial stewardship, policy questions growing out of operating decisions.

What Is an Implied Contract?

An implied contract is a legally binding obligation that derives from actions, conduct, or circumstances of one or more parties in an agreement. It has the same legal force as an express contract, which is a contract that is voluntarily entered into and agreed on verbally or in writing by two or more parties. The implied contract, on the other hand, is assumed to exist, but no written or verbal confirmation is necessary.

KEY TAKEAWAYS

- An implied contract is created by the actions, behavior, or circumstances of the people involved.
- An implied contract has the same legal force as a written or verbal contract.
- **What Is a Conflict of Interest?**
- A conflict of interest occurs when an entity or individual becomes unreliable because of a clash between personal (or self-serving) interests and professional duties or responsibilities. Such a conflict occurs when a company or person has a vested interest—such as money, status, knowledge, relationships, or reputation—which puts into question whether their actions, judgment, and/or decision-making can be unbiased. When such a situation arises, the party is usually asked to remove themselves, and it is often legally required of them.

Attachment 2

1. General Director Qualifications. A Director or Director candidate must:
 - a. Be a natural person;
 - b. Have the capacity to enter legally binding contracts;
 - c. While a Director, and during the five (5) years immediately prior to becoming a Director, not:
 - i. Be, nor have been, convicted of a felony; or
 - ii. Plead, nor have pled, guilty to a felony;
 - d. Within three (3) years of becoming a Director, and unless excused by the Board for good cause, a Director is expected to receive a Director's Certificate or similar certification from the National Rural Electric Cooperative Association;
 - e. While a Director, and during the five (5) years immediately prior to becoming a Director, not:
 - i. Been employed as an employee of the Cooperative or any subsidiary; or
 - ii. Been engaged contractually (as a principal or primary owner, partner, or majority shareholder) of a firm that contracts with the Cooperative or any subsidiary as a prime or sub-contractor;
 - f. Unless excused for good cause by the Board or Members, a Director shall attend at least two-thirds (2/3) of all Board Meetings during any calendar year;
 - g. Have and maintain the physical and mental capacity to perform the essential functions of the role of Director, with or without reasonable accommodation; and
 - g. Comply with any other reasonable qualifications determined by the Board.
2. Membership Qualifications. While a Director, and during the 180 days immediately prior to becoming a Director, a Director or Director candidate must:
 - a. Not be subject to disconnection for electric service at the Director or Director candidate's primary residence or have any other debt to the Cooperative more than 90 days past due; and/or
 - b. Use, receive, or purchase a Cooperative Service at the Director's primary residence. Directors and candidates must maintain their primary residential abode within the boundaries of the applicable Directorate District.
 - c. Be the operating managing partner, or chief executive, or chief operating officer, or his/her designated employee of a non-natural person Member:
 - i. Be current in all respects regarding payment to the Cooperative of membership fees, Additional Payments and obligations, and not be subject to disconnection for electric service at the Director or Director candidate's qualifying primary service location; and
 - ii. Continuously and materially using, receiving, or purchasing a Cooperative Service within the Director District from which the Director is elected or chosen;
 - iii. The Director or Director Candidate's primary residence shall be within the Director District of the qualifying primary service location.
 - d. Otherwise be eligible under this section to serve as a Director.

TUESDAY, SEPTEMBER 20, 2022 – LREMC BOARD MEETING – 5:30 pm

TOPIC – AUGUST 30, 2022 FORUM

As everyone knows, a candidate forum was held Tuesday, August 30, 2022 at the UNCP Hub in Pembroke. Ms. Brenda Jacobs and I coordinated this 1st ever event and we were pleased with the turnout and manner in which the forum was conducted.

The forum was not organized to attack any incumbent seeking re-election or any candidate desiring a seat on the Board. The forum was not organized to promote any incumbent seeking re-election or any candidate desiring a seat on the Board. The forum was not a “set-up” for the Directors and it was absolutely not promoting violence.

The forum was organized to allow all candidates an opportunity to answer questions given to them two weeks in advance and to answer member questions that were screened by Ms. Brenda Jacobs and asked by me. I also had developed one question for each challenger and one question for each incumbent. Not one of my questions involved a Church’s demand charge as some Directors speculated.

Thank you Directors Rhonda Dial, James Hardin and Ronald Hammonds for attending the forum. Your attendance cemented the fact the forum was not promoting violence as the three of you would not have attended if you believed there was a threat to your well being.

Finally, all incumbents and challengers are wished well as you campaign the final few days before the election October 06, 2022.

Patsy Chavis
Patsy Chavis

09-20-22
Date

Representing Great Light Community Church

Lumbee River Electric Membership Corporation
Member Information Request Form

NOTE: No information concerning the Cooperative, its members, personnel, Directors, agents, employees or operations shall be made available (except for routine information as defined in the policy) unless the requesting member completely fills out and executes this Member Information Request Form. Certain information reflecting privacy of employees and members or commercial competition will not be disclosed.

Requesting member's name, address, and telephone number(s): 910-258-8286

LYNN E. LOCKLEAR 28377
662 Highland Games Road, Red Springs, NC

State specifically what information is requested: Does Directional Services, INC provide services to LREMC now or in the past? If so, is Ronald Anderson is associating with this company now or anytime in the past

State specifically why you want such information and to what use you will or may put it:

To determine if Ronald Anderson is qualified to serve on the board.

If this request is being made on your own behalf plus that of others, please state the names, addresses, and telephone numbers of the others: _____

ON my own behalf

It is understood and agreed that, by executing this Member Information Request Form, you agree that you will not use the information for any reason except as specifically stated above. You expressly agree that you will not, directly or indirectly, use the information to solicit money or property, for any commercial purpose, or for sale to or purchase by any person or firm.

20 Sep 22
Date

[Signature]
Member

ACTION TAKEN

Date

Cooperative Representative

Title

11. Mr. John Dyson, Chief Operations Officer, presented the financial review for LREMC-T for August 2022 and further discussed the partnership with Roanoke Connect, grants for internet services and further miscellaneous items.
12. Mr. Walter White reviewed the LREMC Newsletter with the directors.
13. Ruby Clark presented an annual meeting update to the directors to include scheduling of events, official notice, C&E committee decisions, Zone Map and camping area, member voting documents and further miscellaneous information.
14. Mr. Rory Eddings discussed matters of interest to include the following:
 - a. 82nd Annual Meeting of Members of LREMC, Thursday, October 06, 2022 at LREMC Pembroke Headquarters;
 - b. Directors Conference on Thursday, October 27 and Friday October 28, 2022 in Winston-Salem NC;
 - c. 2022 Fall Planning Session for LREMC Board of Directors scheduled for October 28-30, 2022 at Island Vista Resort, Myrtle Beach, South Carolina;
 - d. Winter School for Directors Friday-Wednesday, December 09-13, 2022 in Nashville TN;

THERE WAS DISCUSSION CONCERNING ON-LINE VOTING BEGINNING IN 2023. A MOTION WAS DULY MADE AND RESOLVED FOR STAFF TO BRING RECOMMENDATIONS AT EITHER THE NOVEMBER OR DECEMBER REGULAR MEETING OF THE BOARD OF DIRECTORS. ALL OF THE DIRECTORS APPROVED THE MOTION EXCEPT FOR ROGER OXENDINE WHO WAS OPPOSED TO THE MOTION.

15. A MOTION WAS DULY MADE TO ENTER EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
16. A MOTION WAS DULY MADE TO LEAVE EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.
17. A MOTION WAS DULY MADE TO ADJOURN.



RORY EDDINGS, CHAIRMAN



RONALD G. HAMMONDS, SECRETARY

Roll Call Vote Form

Meeting date: September 20, 2022

Item #/Description: #5C-1 Policy Bulletin No. 403 – Qualifications for Eligibility to Serve on the Board of Directors

Name	Yes	No	Abstain	Not Present
Anderson, Ron	X			
Carter, Sherry	X			
Chavis, Elaine O.	X			
Eddings, Rory				
Goins Dial, Rhonda	X			
Hammonds, Ronald G.		X		
Hardin, James	X			
Hunt, Anthony “Tony”	X			
Locklear, Erice	X			
Locklear, Spencer	X			
Lowery, Kirk	X			
Lowry, Autry	X			
Oxendine, Roger	X			
TOTALS:	11	1	0	0

Vote Required: Majority	Action Taken: Motion Carried
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