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What Is French Broad EMC

French Broad Electric Membership Corporation (FBEMC) is a tax paying corporation owned by those it serves (a "cooperative"). Its principal aim is to supply dependable electric power to its members at the lowest cost possible.

An eleven member Board of Directors formulates policies for the Cooperative and hires a manager to oversee the day-to-day operation of the business. This board is elected by and from the members at an annual meeting of the members on three-year staggered terms.

Your EMC generates a small amount of its own power at the Capitola Hydroelectric Plant on the French Broad River in Marshall. The balance of the power is purchased from Progress Energy and the Southeastern Power Administration (SEPA).

The Cooperative is chartered to serve electric power in the counties of Buncombe, Madison, Mitchell, and Yancey in North Carolina, and Cocke and Unicoi in Tennessee.

Office Locations & Service Hours

Main Office and Marshall District Office

3043 Hwy. 213 (Between Marshall and Mars Hill)
P.O. Box 9, Marshall, North Carolina 28753
Phone: (828) 649-2051 or 1-800-222-6190 (NC & TN)
Fax: (828) 649-2989
Website: www.frenchbroademc.com

Burnsville District Office

650 West Main Street
P.O. Box 307, Burnsville, North Carolina 28714
Phone: (828) 682-6121

Bakersville Branch Office

381 Crimson Laurel Way
P.O. Box 43, Bakersville, North Carolina 28705
Phone: (828) 688-4815

Tennessee members should contact the Main Office in Marshall, NC.

All offices are open Monday through Friday from 8:00 a.m. to 4:30 p.m. except on holidays. Routine service work is performed during normal work hours. Emergency work is performed out of each district on a 24-hour basis.

Meter Reading & Billing

All meters will be read by the Cooperative on approximately a 30-day cycle and bills normally will be rendered within 5 working days following the meter reading.

Bills are due and payable upon receipt. Failure to receive a bill does not excuse a member from payment. A duplicate bill may be obtained from the main office by the member. Payment may be made at the FBEMC office in Marshall, Burnsville or Bakersville during office hours. Payment may also be made at the Capital Bank in Hot Springs. Please bring entire bill when paying at any of these locations.

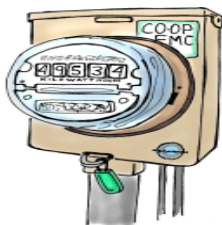
When paying by mail, always enclose bill stub. For your convenience in paying by mail, a return envelope is included in your bill each month that is addressed to the office in Marshall. Please do not send cash through the mail.

Night deposit boxes are available at the Marshall and Burnsville offices. For your protection, please do not place cash in the night deposit. However, always enclose the bill stub. If for some reason you do not have your bill, please include your account number and CIN number with your payment.

Online bill payment is available at the Cooperative's website, www.frenchbroademc.com. Follow the "Pay My Bill" link to take you through the process of signing up for this service. You will need your bill to provide the system your account information and to set up your online account.

Payment by bank draft is also an option if your electric service account has had no returned checks within the past 12 months and the balance is current. A sign-up/authorization form and bank account information is required for each account that is drafted. If an account is disconnected for any reason, the balance of the final bill will be drafted when the final bill is processed. The bank draft is disabled and you must request the draft be reactivated by completing a new bank draft form. Further information is available online.

The "Pay My Bill" link on the website also gives an additional payment option for members interested in using their credit card to pay their bill. We use a third party service to accept Visa, MasterCard and Discover. Service fees may be charged to the member to use its service. Complete information is available at the Cooperative's website.



Rate Schedules

(Effective Date: October 1, 2015)

Primary Residential Service

Basic Facilities Charge	\$17.00 per month
Energy Charge	11¢ per KWH
Plus Wholesale Power and Fuel Adjustment Charge (or Credit), NC Renewable Energy Recovery Fee, NC Energy Efficiency Rider and Utility Sales Tax where applicable	

Secondary Residential Service

Basic Facilities Charge	\$13.00 per month
Energy Charge	11¢ per KWH
Plus Wholesale Power and Fuel Adjustment Charge (or Credit), NC Renewable Energy Recovery Fee, NC Energy Efficiency Rider and Utility Sales Tax where applicable	

Net Metering Service

Basic Facilities Charge	\$17.00 per month
Energy Charge	11¢ per KWH

Applicable for residential service to homes in North Carolina which have an alternative power source for continuous use to supply some or most of the electrical needs of the home. Contact office for more information.

Residential Generation Rate

Basic Facilities Charge	\$13.00 per month
Generation Credit	5.9¢ per KWH

Applicable for residential customers who have a renewable energy source for the generation of electric power and a residential account with the cooperative. Must meet specified guidelines to qualify. Contact office for more information.

Commercial Generation Rate

Basic Facilities Charge - Single Phase	\$20.00 per month
Basic Facilities Charge - Three Phase	\$30.00 per month
Generation Credit	5.9¢ per KWH

Application for commercial customers which have a renewable energy source for the generation of electric power and a commercial account with the cooperative. Must meet specified guidelines to qualify. Contact office for more information.

Small Commercial

Basic Facilities Charge - Single Phase	\$24.00 per month
Basic Facilities Charge - Three Phase	\$39.00 per month
Energy Charge	First 3000 KWH 10.70¢ per KWH Over 3000 KWH 8.20¢ per KWH

KWH

Plus Wholesale Power and Fuel Adjustment Charge (or Credit), NC Renewable Energy Recovery Fee, NC Energy Efficiency Rider and Utility Sales Tax where applicable.

Contact office for more information on Monthly Minimum Charge and Deposit.

Large Power

Basic Facilities Charge \$39.00 per month

50 KW - 1000 KW

Demand Charge \$10.00 per KW
 Energy Charge 6.5¢ per KWH
 Demand usage of more than 400 hours 6¢ per KWH

Over 1000 KW

Demand Charge \$11.75 per KW
 Energy Charge 5.7¢ per KWH
 Demand Usage of more than 475 hours 5¢ per KWH

Plus Wholesale Power and Fuel Adjustment Charge (or Credit), NC Renewable Energy Recovery Fee, NC Energy Efficiency Rider and Utility Sales Tax where applicable.

Contact office for more information on Determination of Billing Demand, Power Factor Adjustment, Monthly Minimum Charge, Deposit and Service Provisions.

Security Lights

100-175 Watt Luminaire \$8.75 per month*
 400 Watt Luminaire (Existing fixtures only) \$15.00 per month
 Plus Utility Sales Tax where applicable

* Includes installation, normal maintenance and power. If more than one wooden pole is needed for installation, there will either be an additional charge of \$1 per month per pole or an aid to construction cost to cover the additional construction expenses incurred.

*Once a light is installed, a service charge and tax is required for any modification or relocation of the light. The member will be responsible for the cost of repairs due to vandalism or the cooperative has the right to remove the fixture.

Miscellaneous Service Fees

Consumer Deposit Per Account:

Residential \$ 500.00
 Commercial Greater of \$500.00 or estimate of two month's power bill when in full operation.
 (Deposit may be waived with approved letter of good credit)
 (Deposit, plus interest, will be applied to your account after 12 consecutive months of payments are received on time with no past due amounts.)

Service Charge (meter installation):

During normal hours \$25.00*
 After hours \$75.00*

Reconnect Charge for Seasonal Accounts:

(\$25 plus \$25 service charge) \$50.00*

Reconnect Fee for Accounts Disconnected for Non-Payment:

During normal working hours \$50.00*
 (\$25 plus \$25 service charge)
 After Hours \$75.00*
 (\$50 plus \$25 service charge)

Meter Tampering Fee:

1st offense \$100.00*
 (Plus applicable reconnect fees and a charge for estimated unmetered power.) 2nd offense \$200.00*

Meter Test Fee:

\$50.00*
 (Fee is refundable if meter is found to be registering over the legal limit of 2% fast.)

Returned Check Charge:

\$30.00

Security Light Connect/Reconnect/Modification

\$25.00*

Late Fee:

(whichever is greater: 1.5% of past due amount or \$2.50)

*The following fees/charges are subject to applicable Utility Sales Tax.



Annual Meeting / Capital Credits

Annual Meeting

An Annual Membership Meeting is normally held on the first Saturday in May to elect directors and give a report to the members on the activities and progress during the year.

All members are encouraged to take an active part in the business by attending the Annual Meetings. It's an opportunity to meet and talk with directors, management and employees. Notice of the time and place of the meeting is given in the Annual Report mailed to each member prior to the meeting, as well as in the monthly newsletter, in local newspapers and over local radio stations.

Each member has one vote regardless of the number of meters connected.

Capital Credits

As owners of the Cooperative, members help finance their business by allowing the Cooperative to retain any money collected in excess of actual operating costs. This money is considered to be capital furnished by the members (Capital Credits) which will be returned to the members at a future date. The amount allocated to the member's Capital Credit account each year is determined by multiplying the percentage of margins by the member's total electric charges incurred during the year.

General refunds of Capital Credits may be declared by the Board of Directors whenever the Cooperative is financially and legally able to do so. We do, however, refund Capital Credits to estates of deceased members upon application by the administrator/executor of the estate or family member.

Your accumulated Capital Credits may not be used as payment on your electric bill.



Publications & Special Services

Publications

Each month a copy of the Cooperative's newsletter, *The Electrifier*, is mailed with the member's electric bill. We urge you to read it to learn about the Cooperative's operations, plans, and progress as well as electrical safety and energy conservation. Copies are also available online and at each office location.

An Annual Report is mailed in April prior to the Annual Meeting.

Literature on safety, energy conservation and various subjects is available from the main office.

Special Services

Energy Advice

As a service to our members, FBEMC offers advice on ways to improve the efficiency of your energy use.

If you are building or changing heating systems, we can help you choose the best heating and/or cooling method for your home.

Speakers and Programs

FBEMC representatives are available to schools, civic groups and other organizations to present programs on various subjects. Call our office to arrange for a speaker or a program.

Security Lights

For a fee, a security light will be installed for you at your request. The monthly charge includes normal maintenance and power for a 100-175 watt luminaire.

Meeting Room Facilities

The main office's board room is available for use during normal working hours as long as it does not impair the regular functions of FBEMC.

Permission for use is at the discretion of the General Manager.

If Your Power Goes Off

If your power goes off, check to see if a fuse has blown or a breaker has tripped. If you find that your fuse or breaker is not the problem or that several homes are involved, call the French Broad EMC office that serves your home.

Between 8 a.m. and 4:30 p.m., Monday - Friday

Marshall Office	(828) 649-2051
(NC & TN Toll Free Line)	1-800-222-6190
Burnsville Office	(828) 682-6121
Bakersville Office	(828) 688-4815

Nights, Weekends and Holidays

Marshall District

Madison, Buncombe, Cocke and Unicoi Counties (828) 649-2051
or 1-800-222-6190

Burnsville/Bakersville District

Yancey County (828) 682-6121
Mitchell County (828) 688-4815

When You Report An Outage

Give the name and address as it is listed on the bill. Also, give us your telephone number in case we need to call you back. Tell us any information that may be helpful in locating the trouble (tree on line, broken pole, etc.).

While The Electricity Is Off

Keep your refrigerator and freezer closed. According to the U.S. Department of Agriculture, food in a full freezer should stay frozen about 2 days and food in a half-full freezer about 1 day if it is not opened.

Stay away from power lines on the ground. Do not attempt to remove trees or limbs from lines. Call our office for help.

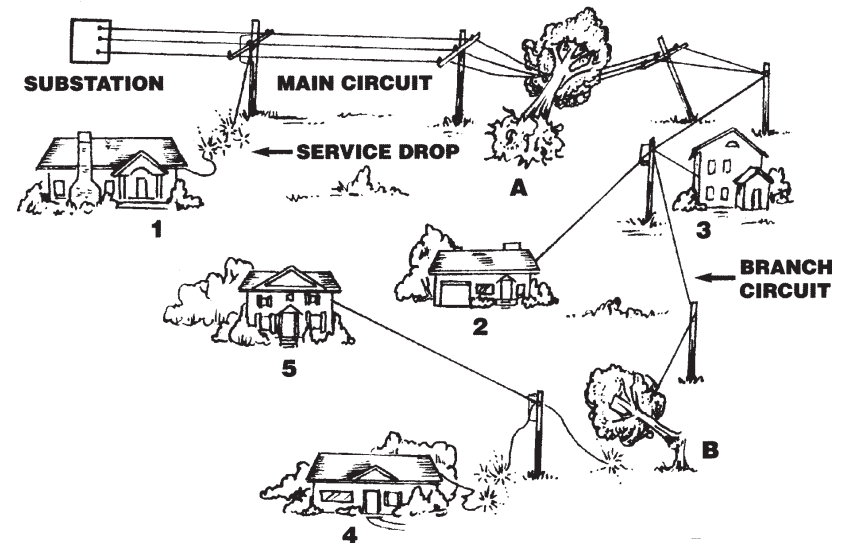
Life-Support Equipment

If someone in your home is dependent on life-support equipment, be sure our office knows about this before an outage occurs.

Anticipation of Forecasted Storms or Bad Weather

Keep ample amount of supplies, such as oxygen, for at least 48 hours or more in the event of an outage or make arrangements for supplies during prolonged outages. Do not wait until a storm hits your area to prepare.

How We Restore Your Power



Step 1

Tree **A** knocked out the main circuit near the substation, causing power to be interrupted to all members served by this main line out of the substation. When the tree is removed, we make sure that the entire feeder line is clear. Now we are able to repair the remaining affected lines. Houses **2** and **3** now have power.

Step 2

Removing tree **B** and repairing the line will restore power to house **5**.

Step 3

After members have their meter connections and service entrances repaired, the individual lines to houses **1** and **4** can be repaired. All five houses will have power.

How To Operate A Portable Generator Safely

You can use a portable generator to supply electricity to your appliances if an emergency exists during a power outage. But if used improperly they can kill you and the people who are restoring power to your home or building. They also can damage the appliances you connect.

Home emergency generators are usually powered by gasoline, which must be properly handled as well.

Generator sizes vary. Common units can be from 8 to 14 horsepower and capable of handling from 4,000 to 8,400 watts (including starting surge requirements).

Connecting a generator to the main electrical supply for your house requires the services of a qualified, licensed electrician.

Before connecting the generator to your household circuit, notify your electric cooperative.

Extension Cords

When using an appliance or tool at a considerable distance from the generator, a 3-wire extension cord that has a 3-blade grounding plug and a 3-slot receptacle that accepts the tool's plug should be used. A cord of adequate size must be used.

Determining Wattage Requirements

Never exceed the rated capacity of your generator. Overloading can cause serious damage to the generator or appliances. Before operating a generator, list all of the appliances that are going to operate at the same time. Then determine the starting wattage requirements and the running wattage requirements. Wattage requirements vary with different brands of appliances. Be sure to check the nameplate on the appliances you plan to use. The starting load lasts only for a few seconds but is very important when figuring your total wattage to be used. Your generator must be rated to handle the total wattage.

Always start your largest electric motor first, then plug in other items one at a time.

The following guide is for example purposes only. A dealer or a licensed electrician should determine your actual needs.

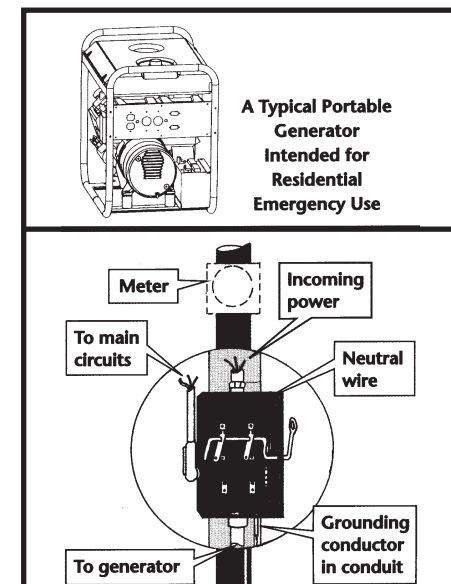
Appliance	Running Watts	Starting Watts
Air Conditioner (20,000 Btu)	3,400	7,600
Coffeemaker	1,200	1,200
Deep Freezer	500	1,500
Electric Baseboard heat (10')	2,500	2,500
Electric frying pan	1,200	1,200
Fan	200	600
Furnace Fan (1/3 hp)	600	1,800
Heat Pump (3 ton)	3,200	9,600
Light Bulb	100	100
Microwave	700	1,000
Portable fan	200	600
Portable heater (5000 Btu)	1,500	1,750
Range-single burner	1,500	1,500
Refrigerator	800	2,400
Television	300	300
Water heater	4,500	4,500
Well pump (1 hp)	1,500	4,500
Wet/dry vacuum	900	2,500



If you connect a portable electric generator to the main electrical supply coming into the house, the generator could feed back into your electric cooperative's system and electrocute workers who are repairing the electrical lines.

To avoid back-feeding of electricity into utility systems, you must have a qualified electrician install a double-pole, double-throw switch (see illustration) between the generator and utility power in compliance with all state and local electrical codes. A minimum of 10-gauge wiring must be used.

Your generator might not be large enough to handle the load of all the lights, appliances, TV, etc., at one time. To prevent dangerous overloading, calculate wattage requirements correctly.



Energy Saving Tips

FOREWARD

Since energy conservation is of such critical concern to all of us, you may be seeking new ways to save energy in the home. We aren't advocating that you do without electricity. We simply want you to use it wisely and efficiently. By doing so, you can help cut waste and also save money. We hope this section will be helpful to you in your conservation efforts.

PEAK TIME

Electric systems are built to handle the time of day when the most electricity is used. This is called the "peak." Our daily peak occurs between 6 and 10 a.m. October through April and between 3 and 8 p.m. May through September. Our annual peak occurs during winter months, usually during January or February.

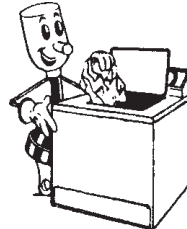
You can help lower the peak by using appliances at times other than peak hours. We realize some loads cannot be shifted to other times, but avoid using any unnecessary electrical appliances during these hours. This could mean savings in FBEMC's wholesale power costs which will help keep your rates down.



LAUNDRY

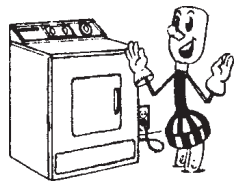
Washer

- Wash full loads without packing.
- Use cold water whenever possible.
- If you must wash a small load, select water level to fit the load.



Dryer

- Don't overload.
- Clean lint filter after each load.
- Avoid overdrying.
- Dry clothes outside whenever possible.
- Vent the dryer to the outside.
- Hang or fold clothes as soon as they are dry to avoid ironing.



Ironing

- Match temperature setting to fabric.
- Do all your ironing at one time to avoid heating iron several times.

WATER HEATER

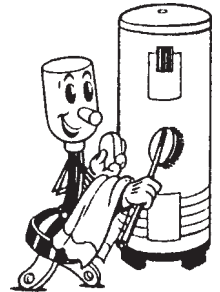
Since the water heater accounts for a large portion of the total electric bill, this is a good place to begin your savings. Here are some points to consider:

- Place nearest point of greatest use.
- Insulate pipes to prevent heat loss.
- Set thermostat at lowest recommended setting for your appliances; 140° if you have a dishwasher and 120° if you don't. Many people have found a lower setting will meet their needs.

An average shower requires half the water of a bath. Energy efficient shower heads and faucet aerators can further reduce your use of hot water.

- Don't leave faucets running and correct leaking faucets.
- Turn off water heater while away from home for extended periods.

Consider installing a water heater timer, programmed to come on at times other than the peak load period. Unless you have a new double insulated water heater, you can save about \$25 per year by wrapping the water heater with extra insulation.



HEATING (AND COOLING)

Insulation is the most important way to conserve energy. Most insulation is rated in "R" factors. R-30 is recommended for attics and R-19 for outside walls and floors.

Install weather stripping or caulk around windows, doors or any cracks that may allow cold air infiltration. Install storm windows and doors, or use plastic coverings over windows.

- Insulate crawl space and exposed heating ducts.
- Close fireplace damper when not in use.

Set thermostat at lowest comfortable setting for daytime use. Turn down the thermostat at night or when you are away from home during the day.

Turn down thermostats in unused rooms and close doors to them.

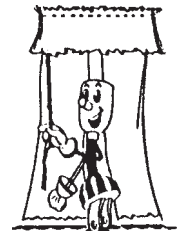
However, it is normally recommended that the thermostat for an electric heat pump be set and remain at the lowest comfortable temperature in the winter. The electric heat strips come on when a heat pump thermostat is raised more than 3 degrees.

Close drapes at night to keep out cold, and open during the day to let sun in.

Avoid frequent and unnecessary opening and closing of outside doors.

Use solid core doors at exterior openings.

Keep system in good working order, changing filters as needed.



ELECTRIC RANGE

Use correct size pot or pan on surface unit.

Pots and pans with flat bottoms and tight-fitting lids work best.

When food boils, reduce heat.

Whenever possible, cook several foods in the oven at the same time.

Don't open door until food is cooked.

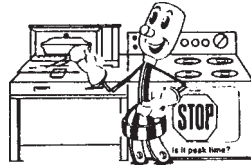
Don't use oven to toast bread.

Don't try to heat kitchen with oven.

Cut off oven and surface units early and use leftover heat to finish the job.

Plan ahead when canning and freezing. Have all equipment lined up and ready for use before turning on the stove.

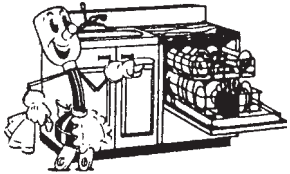
Use microwave oven if possible.



DISHWASHER

Use dishwasher only when full.

Always use a detergent made especially for dishwashers. After the wash cycle, turn dishwasher off, open the door and let dishes air dry.



LIGHTING

Most people think the way to cut down their electric bills is to cut out the lights. Even though lights account for very little of the total bill, you don't want to waste it. Turn off lights not being used.

Keep bulbs and fixtures clean.

Use lower wattage bulbs.

Use fluorescent lights wherever possible.

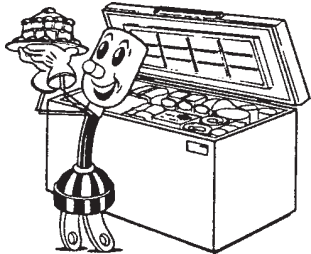


FREEZER AND REFRIGERATOR

Defrost when ice builds up to one-quarter inch. Manual defrost uses less electricity than self-defrosting type.

Don't open door any more than necessary.

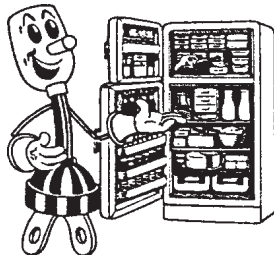
Be sure seal on door is tight. Test by closing door on a dollar bill. If the bill slips out easily, the seal is not tight and should be replaced.



Keep condenser clean and free of dust.

Set temperature according to appliance manual.

When using a storage freezer, try to keep it nearly full. If there is extra space, use ice cubes in plastic bags to fill the spaces. A full freezer keeps the inside temperature more constant and the motor will not have to work as hard.



TV, RADIO AND STEREO

Turn off when not in use.

TIPS FOR OTHER APPLIANCES

Learn to use small appliances instead of relying on a range and oven excessively. If these small appliances are easily accessible, they will be used more often.

Replace dust bag in vacuum cleaner when it is full.

Water logged water pumps run excessively and need to be fixed.

Use all appliances only when necessary.



Estimating Your Monthly Cost of Electricity

It's easy to figure out the cost of running an appliance. You need three pieces of information: the wattage, the length of time (in hours) of operation, and the per kwh cost of electricity.

First, find the wattage of the tool or appliance (usually on the side or bottom). Some appliances may show only the amperage and voltage of the device instead of watts. To convert to watts, multiply amps by volts.

For example: a 120 V heater rated at 12.5 amps equals 1500 watts

Next, determine how long (in hours) the appliance operates. Take watts and multiply by the hours of operation.

Our example: Our heater operates 4 hours per day for 30 days. That's 120 hours for a month. Multiply 1500 watts times 120 hours. This equals 180,000 watt-hours of electricity used during the month.

To convert watt-hours to kilowatt-hours, you must divide by 1000.

Our example: our 1500-watt heater operating for 120 hours would use 180 kilowatt-hours. (180,000 divided by 1000 equals 180.)

To calculate the cost of running the heater for the month, multiply the total kilowatt-hours used by the current energy rate.

Our example: 180 x 12¢ equals \$21.60.

It will cost approximately \$21.60 per month to operate your portable heater four hours every day.

On the next page are some examples of the range of wattages for various household appliances and products. If you complete the worksheet with your estimated use per month, you can determine an average monthly cost of electricity for each appliance.

Appliance	Approx. Wattage	Estimate of Use in Hours	Monthly kwh Estimate	Monthly Cost Estimate
IN THE KITCHEN				
Coffeemaker	800 – 1500			
Crock pot	75-150			
Deep fat fryer	1500			
Dishwasher	1200 (not including hot water)			
Electric BBQ grill	1350-1500			
Electric fry pan	1200			
Freezer, 12-15 cu.ft., standard	350			
12-15 cu.ft., frost-free	440			
Microwave	750-1500			
Mixer	125			
Oven, conventional	2900-3500			
Range-large element	2400			
small element	1600			
Refrigerator, 20 cu.ft., standard	650			
20 cu.ft., frost-free	780			
Toaster	800-1400			
Toaster oven	1200-1500			
Waffle iron	800-1100			
In the Laundry Room				
Clothes washer	600 (not including hot water)			
Clothes dryer	5000			
Iron	1100			
Water heater	4500			
Well pump	1000-1500			
Around the House				
Ceiling fan, 4 ft., medium speed	40-60			
Clock	2-5			
Dehumidifier, 15 pint	350			
20 pint	480			
40 pint	700			
Electric blanket	150			
Lighting, two 4 ft. fluorescent bulbs	80-100			
Sewing machine	75			
Telephone, cordless	6			
Vacuum, portable	600-1000			

Water bed heater	400		
In the Family Room			
CD player	10-50		
Computer, laptop	50-75		
Computer, PC and monitor - asleep	60		
- awake	200-400		
Computer printer	150-175		
DVD/VCR player	25-50		
Hot tub heater	5500		
Hot tub pump:			
High speed	1800		
Low speed	300		
Popcorn popper	575		
Satellite Receiver	24		
TV, 32" LCD	200		
42" Plasma	300		
Video Game Console	125		
How's the Weather?			
AC window unit			
8,000 Btu	1075		
12,000 Btu	1600		
18,000 Btu	3500		
Attic fan	370-600		
Baseboard heat,			
4 ft. unit	1000		
6 ft. unit	1500		
8 ft. unit	2000		
Central A/C, 2.5 ton	3500		
Heat pump, air source,			
2 ton: heating	3750		
cooling	2750		
Oil furnace, blower	600		
Portable space heater	750-1800		
In the Garage			
Air compressor,			
½ hp	1000		
1 hp	1500		
1 ½ hp	2500		
Bench Grinder, 10"	1600		
Circular saw	800		
Drill, ½"	600-1000		
Garage door opener	800		
Pressure washer	1200		
Shop Vac	1000-1500		
Table Saw, 10 inch	1800-2000		

BYLAWS

Of French Broad Electric Membership Corporation

ARTICLE I MEMBERSHIP

Section 1.01. Eligibility. Any natural person, firm, association, corporation, business trust, partnership or body politic (each hereinafter referred to as "person," "applicant," "him" or "his") shall be eligible to become a member of, and, at one or more premises owned or directly occupied or used by him, to receive electric service from, French Broad Electric Membership Corporation (hereinafter called the "Cooperative"). No person shall hold more than one membership in the Cooperative.

Section 1.02. Application for Membership; Renewal of Prior Application. Application for membership - whereby the applicant agrees to purchase electric power and energy from the Cooperative and to be bound by and to comply with all of the other provisions of the Cooperative's Certificate of Incorporation and Bylaws, and all rules, regulations and rate schedules established pursuant thereto, as all the same then exist or may thereafter be adopted or amended (the obligations embraced by such agreement being hereinafter called "membership obligations") - shall be made in writing on such form as is provided therefor by the Cooperative. With respect to any particular classification of service for which the Board of Directors shall require it, such application shall be accompanied by a supplemental contract, executed by the applicant on such form as is provided therefor by the Cooperative. All membership applications shall be accompanied by any service security deposit that may be required by the Cooperative, provided for in Section 1.03, which security deposit, if any, shall be refunded in the event the application is not approved. Any former member of the Cooperative may, by the sole act of paying any outstanding account owed by him to the Cooperative (together with any service security deposit that may be required by the Cooperative), renew and reactivate any prior application for membership to the same effect as though the application had been newly made on the date of such payment.

Section 1.03. Service Security Deposit. The member shall pay any service security deposit that may be required by the Cooperative.

Section 1.04. Joint Membership. A husband and wife, by specifically so requesting in writing, may be accepted into joint membership or, if one of them is already a member, convert such membership into a joint membership. The words "member," "applicant," "person," "his" and "him," as used in these bylaws, shall include a husband and wife applying for or holding a joint membership, unless otherwise clearly distinguished in the text; and all provisions relating to the rights, powers, terms, conditions, obligations, responsibilities and liabilities of membership shall apply equally to them. Without limiting the generality of the foregoing-

- (a) the presence at a meeting of either or both shall constitute the presence of one member, a joint waiver of notice of the meeting, and a revocation of any proxy executed by either or both;
- (b) the vote of, or a proxy executed by, either or both shall constitute, respectively, one joint vote or proxy: PROVIDED, that if both be present but in disagreement on such vote, each shall cast only one-half (1/2) vote; AND PROVIDED FURTHER, that if each executed a separate proxy, the one most recently executed shall revoke the former and shall constitute their sole joint proxy; or, if each executes a separate proxy on the same date, the holder or holders thereof shall cast only one-half (1/2) vote in respect of each;
- (c) notice to, or waiver of notice signed or otherwise effected by, either or both shall constitute, respectively, a joint notice or waiver of notice;
- (d) suspension or termination in any manner of either shall constitute, respectively, suspension or termination of the joint membership, and
- (e) each, but not both concurrently, shall be eligible to serve as an officer or director of the Cooperative, but only if both meet the qualifications required therefor.

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

Section 1.06. Acceptance into Membership. Upon complying with the requirements set forth in Section 1.02, any applicant shall automatically be accepted into membership in, and become eligible to receive electric service from, the Cooperative unless the Board of Directors shall determine that such applicant is not willing or is not able to satisfy and abide by the Cooperative's terms and conditions of membership or that such application should be rejected for other good cause: PROVIDED, that any person whose application, for sixty (60) days or longer, has been made but not approved by the Board of Directors may, by filing written request therefor with the Cooperative at least thirty (30) days prior to the next meeting of the members, have his application submitted to and approved or disapproved by the vote of the members at such meeting, at which the applicant shall be entitled to be present and be heard.

Section 1.07. Purchase of Electric Power and Energy. The Cooperative shall furnish its members with adequate and dependable electric service, and each member, for so long as such premises are owned or directly occupied or used by him, shall purchase from the Cooperative all central station electric power and energy used on all premises to which electric service has been furnished by the Cooperative pursuant to his membership, unless and except to the extent that the Board of Directors may in writing waive such requirement; and shall pay therefor at the times, and in accordance with the rules, regulations, and rate schedules (including any monthly minimum amount that may be charged without regard to the amount of electric power and energy actually used) established by the Board of Directors, and, if in effect, in accordance with the provisions of any supplemental contract that may have been entered into as provided for in Section 1.02. Each member shall also pay all other amounts owed by him to the Cooperative as and when they become due and payable. If a member desires to generate his own electric energy, he may do so as long as his generation facilities, wire, and equipment are not electrically connected to the Cooperative's electrical system and must meet all local and state electrical codes and requirements. Such member-generated energy must be for the member's sole use and may not be sold by the member. Alternatively, the member may enter into an interconnect ion agreement with the Cooperative.

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

Section 1.09. Wiring of Premises; Responsibility Therefor. Each member shall cause all premises receiving electrical service pursuant to his membership to become and to remain wired in accordance with the specifications of the North Carolina Fire Insurance Underwriters Association, National Electrical Codes, and any applicable local codes having jurisdiction and any specifications of the Cooperative. Each member shall be responsible for, and shall indemnify the Cooperative and any other persons against death, injury, loss or damage resulting from any defect in or improper use or maintenance of, such premises and all wiring and apparatus connected thereto or used thereon. In no event shall the responsibility of the Cooperative extend beyond the point at which its service wires are attached to the member's service conductors and meter provided for measuring electricity used on such premises.

Section 1.10. Member to Grant Easements to Cooperative if Required. Each member shall, upon being requested so to do by the Cooperative, execute and deliver to the Cooperative grants of easement or rights of way over, under and on such lands owned by the member, and in accordance with such reasonable terms and conditions, as the Cooperative shall require for the

furnishing of electric service to him or other members or for the construction, operation, maintenance or relocation of the Cooperative's electric facilities.

ARTICLE II MEMBERSHIP SUSPENSION AND TERMINATION

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

Section 2.02. Termination by Expulsion; Renewed Membership. Upon the failure of a suspended member to be automatically reinstated to membership, as provided in Section 2.01, he may, without further notice, but only after due hearing before the Board of Directors if such is requested by him, be expelled by the affirmative votes of not less than two-thirds (2/3) of the entire Board of Directors at any subsequently held regular or special meeting of the Board. Any person so expelled may, by delivering written notice to that effect to the Cooperative at least ten (10) days prior to the next meeting of the members, appeal to and be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event such person's membership shall be reinstated retroactively to the date of his expulsion by the Board. After any finally effective expulsion of a member, he may not again become a member except upon new application therefor duly approved as provided in Section 1.06. The Board of Directors, upon principles of general application in such cases, may establish such additional terms and conditions for renewed membership as it determines to be reasonably necessary to assure the applicant's compliance with all his membership obligations.

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

Section 2.04. Termination by Death or Cessation of Existence; Continuation of Membership in a Remaining Partner. Except as provided in Section 1.05, the death of an individual human member shall automatically terminate his membership. The cessation of the legal existence of any other type of member shall automatically terminate such membership: PROVIDED, that upon the dissolution for any reason of a partnership, or upon the withdrawal or addition of any individual partner, such membership shall continue to be held by such remaining partner or partners, including any additional partners, as continue to own or directly to occupy or use the premises being furnished electric service pursuant to such membership.

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

to which such service has theretofore been furnished by the Cooperative pursuant to such membership.

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

ARTICLE III MEETINGS OF MEMBERS

Section 3.01. Annual Meeting. For the purpose of electing directors, hearing and passing upon reports covering the previous fiscal year and transacting such other business as may properly come before the meeting, the annual meeting of the members shall be held on the first Saturday of the month of May of each year, at such place in one of the counties in which the Cooperative operates in the State of North Carolina or Tennessee, and beginning at such hour, as the Board of Directors shall from year to year fix: PROVIDED, that for good cause the Board of Directors may fix a different date for such annual meeting not more than sixty (60) days prior or subsequent to the date established for such meeting in this Section. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for and to encourage member attendance at the annual meeting. Failure to hold the annual meeting at the designated time and place shall not work a forfeiture or dissolution of the Cooperative.

Section 3.02. Special Meetings. A special meeting of the members may be called by resolution of the Board of Directors or upon written request signed by any five (5) directors or by not less than fifteen (15%) per centum of the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided in Section 3.03. Such a meeting shall be held at such place in one of the counties referred to in Section 3.01, on such date, and beginning at such hour as shall have been designated by the Board of Directors.

Section 3.03. Notice of Member Meetings. Written or printed notice of the place, day and hour of the meeting and, in 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 seven (7) nor more than twenty-five (25) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary or, upon the Secretary's default in 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. No matter the carrying of which, as provided by law, requires the affirmative votes of a clear majority of all the Cooperative's members shall be acted upon at any meeting of the members unless notice of such matter shall have been contained in the notice of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the Cooperative's records, with postage thereon prepaid and postmarked at least seven (7) days prior to the meeting date. 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 personal attendance shall be for the express purpose of objecting to the transaction of any business, or one or more items of business, on the ground that the meeting shall not have been lawfully called or convened.

Section 3.04. Quorum. Attendance in person or by proxy of at least two (2%) per centum of the total members of the Cooperative shall be required for the transaction of business at any meeting of

the members. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting to another time and date not less than thirty (30) days later and to any place within one of the counties referred to in Section 3.01: 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 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those who were present in person and by proxy.

Section 3.05. Credentials and Election Committee. The Board of Directors shall, at least ten (10) days before any meeting of the members, appoint a Credentials and Election Committee consisting of an uneven number of members, not less than five (5) nor more than fifteen (15), who are not, and who are not close relatives or members of the same household of, existing directors or known candidates for directors to be elected at such meeting. In appointing the Committee, the Board shall have regard for equitable representation of the several areas served by the Cooperative. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot voting, and to pass upon all questions that may arise with respect to the registration of members in person or by proxy, to count all ballots cast in any election or in any other ballot vote taken, and to rule upon the effect of any ballots irregularly marked. The Committee's decisions on all such matters shall be final.

Section 3.06. Voting. Every active individual member shall be entitled to vote. Every association, corporation, business, trust or political body, which is a member, may vote by and through its duly designated representative. Prior to being allowed to vote at a meeting, each member must register for that particular meeting. All questions shall be decided by majority of the members voting in person or by proxy.

Section 3.07. Proxies. Any member, including members which are associations, corporations, businesses, trusts or political bodies may vote by proxy. Said proxy must be registered with the Secretary of the Cooperative, or his duly designated registrar, at the Cooperative's principal office in Marshall, or one of its branch offices during office hours, before the meeting, or during registration on the day of the meeting. A proxy will be accepted if a member has signed, dated and the customer identification number appears on the proxy, and has given same to another member, even if the holder of the proxy's name is typed, written in another handwriting, printed, written with a different color ink, etc. Photostatic copies of Cooperative distributed proxies may be used if properly executed. The proxy must: (1) be executed by the member in writing and designate one and only one holder thereof, which may be the member's spouse, the designee of an association, corporation, business, trust or political body or any other individual member; (2) specify the meeting at which the proxy is to be exercised; (3) must be dated not more than sixty (60) days prior to the date of the meeting; however, any mailed proxies, otherwise properly completed, shall be deemed dated as postmarked, if the postmark is clear as to the date of the mailing. A valid proxy shall be valid at any adjournment of the meeting for which it was given. If a member advises the Cooperative's Secretary or his designee, that he wishes to withdraw a preregistered proxy, he may do so prior to the close of business on Friday. Once a proxy has been preregistered, or registered on the day of the annual meeting, that proxy is thereafter irrevocable. If a member advises the Cooperative Secretary, or his designee, on the day of the meeting that he has given a proxy, which has neither been preregistered, or registered up to that point in time, on the day of the annual meeting, he may revoke that proxy and vote. Should a proxy be submitted on the day of the annual meeting, and the giver of that proxy has already voted in person, or a proxy has been registered in the name of that person, the individual presenting the proxy will be denied the right to vote for that member. A proxy may be unlimited, authorizing its holder to vote on any and all issues presented at a meeting, or it may be limited, restricting the holder to voting on a limited number of issues. A member is not entitled to vote an unlimited number of proxies. An individual member may cast his vote and that of up to five (5) members whose proxies he holds, for a maximum of six (6) votes. However, the designee of an association, corporation, business, trust or political body, who is not a member of the Cooperative may only cast the vote of that body who designated him as its authorized representative and one proxy, for a maximum of two (2) votes. A spouse of an individual member, in attendance at the meeting, shall have, as a matter of right, the ability to cast his or her spouse's vote, unless the member's spouse is present and objects to same.

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

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

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

ARTICLE IV DIRECTORS

Section 4.01. General Powers. The business and affairs of the Cooperative shall be managed by a board of eleven (11) directors, 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 4.02. Qualifications. No person shall be eligible to be a candidate for director or remain as a director who is a close relative of an incumbent director, or who is not receiving electrical service from the Cooperative at their primary residence. In addition, to be a candidate for election as director, or to remain as a director, a person must be a year-round resident of the district from which they are running, or from which they were elected. A candidate must have been such a resident for at least one year prior to the date of their nomination. It shall be the duty of the credentials committee appointed by the Board to determine whether an individual nominated for the Board is properly qualified to hold office on the Board. It is the duty of the Board of Directors itself to remove any person serving on the Board who fails to meet the qualifications set forth by this Section.

Section 4.03. "Close Relative" Defined. As used in these bylaws, "close relative" means a person who is related to the principal person, by blood or by law, to the third degree or less, which means those who are in first degree to the principal are his spouse, child and parent; those who are in second degree to the principal are his grandchild, grandparent, brother and sister; and those who are in third degree to the principal are his great grandchild, great grandparent, uncle, aunt, nephew and niece. "By law" would mean that a son-in-law, sister-in-law, aunt-in-law, etc., stand in the same degree as their spouses.

Section 4.04. Election. At each annual meeting of the members, directors shall be elected by secret ballot by a plurality vote of the members and, except as set forth in the proviso in Section 4.02, from among those members who are natural persons. Drawing by lot shall resolve any tie votes, where necessary: PROVIDED, that if the nominee(s) are unopposed, balloting may be dispensed with in respect to that district(s) and such nominee(s) shall be elected by acclamation during the annual meeting.

Section 4.05. Tenure. Directors shall be nominated and elected that, beginning with the annual meeting of the members of 1960, three (3) directors shall serve a term of one (1) year, four (4) shall

serve a term of two (2) years, and four (4) shall serve a term of three (3) years: and beginning with the next annual meeting of the members, and at each such meeting thereafter, the same number of directors that corresponds with the number whose terms are expiring shall be elected to serve a term of three (3) consecutive years. 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 or 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 of the members.

Section 4.06 Board Districts. The Board shall be comprised of eleven (11) members from four districts. The districts and the number of seats from each district shall be as follows: Madison County (4) Yancey County (3) Mitchell County (2) Buncombe county (1) and Tennessee (1). The Seat in each District will be assigned a number, and henceforth, shall appear on the ballot by that number.

Section 4.07 Nominations by Committee. It shall be the duty of the Board of Directors to appoint, not less than ninety (90), nor more than one hundred fifty (150) days prior to the date of a meeting of the members at which directors are to be elected, an eleven member Nominating Committee. The Committee shall include individuals from each of the Districts, and each district shall be entitled to the same number of individuals on the Nominating Committee as are elected to the Board of Directors from that District. The members of the Committee must be members of the Cooperative, and must not be incumbent directors, close relatives to such directors or close relatives to known candidates for director. The Committee shall prepare and post at the principal and branch offices of the Cooperative, at least sixty (60) days before the annual meeting, a list of nominations for directors, listing separately the nominee or nominees with respect to each Seat from which a Director must, pursuant to this Article, be elected at the annual meeting. The Committee may nominate multiple nominees for the same seat.

Nominations by Petition. Individuals not nominated by the nominating committee may also be nominated by petition. Such nominations shall occur by the submission of a petition containing at least fifty (50) signatures of members residing in the same district as the member being nominated. Such petitions must be received at the principal office of French Broad Electric, 3043 Highway 213, Marshall, North Carolina at least 45 days prior, and no more than 90 days prior, to the annual meeting. The petition must identify the seat for which the individual is being nominated. **Notification of Nominations.** The secretary of the Cooperative shall post a list of all nominees at the principal and branch offices of the Cooperative at least twenty days prior to the date of the election, and shall cause to be mailed to the members of the Cooperative at least seven days prior to the election, a statement notifying the members as to which seats are open for election, and all nominees for each seat, stating the name of the nominee, his address, the district from which nominated, and whether nominated by committee or petition.

Section 4.08. Voting for Directors; Validity of Board Action. In the election of directors, each member shall be entitled to cast the number of votes (but not cumulatively) which corresponds to the number of directors to be elected, but no member in any election may vote for more nominees from any Directorate District than the number of directors who must be elected therefrom in such election. Ballots marked in violation of the foregoing restriction with respect to one or more Directorate Districts shall be invalid and shall not be counted with respect to such District or Districts. Notwithstanding the provisions contained in this Section and in Section 4.07, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board of Directors after the election of directors.

Section 4.09. Removal of Directors by Members. Any member may bring charges for cause against a director and, by filing with the Secretary such charges in writing together with a petition signed by fifteen (15%) per centum of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least thirty (30) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in

respect of the charges; and the member or members bringing charges against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at such meeting and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations: PROVIDED, that the newly-elected director shall represent the same Directorate District which the director whose office he succeeds represented.

Section 4.10. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of directors by the members, any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until his successor is elected and qualified. A director elected to fill a vacancy shall represent the same Directorate District which the director whose office he succeeds represented. Proposed candidates for election to fill a vacancy on the Board of Directors shall be formally nominated not less than twenty-eight (28) days prior to consideration for election to the Board of Directors. If a director becomes unable to fulfill his or her duties as a director, he or she may resign or decline to run for re-election. Upon a director's such resignation or declining to run for re-election, he shall automatically become a Director Emeritus, entitled to nominal monthly fee and the regular fee if he attends Board meetings at the request of the Board, this being based upon the principle that he would continue to be available for counseling and guiding the Board based upon his past experience and knowledge.

Section 4.11. Compensation; Expenses. For their services as such, directors shall receive such compensation which may include insurance benefits, as is fixed by resolution of the Board of Directors. For the performance of their duties, directors shall also receive advancement or reimbursement of any actual travel and out-of-pocket expense incurred, in accordance with the Cooperative's established policies. No director shall receive compensation for serving the Cooperative in any other capacity: PROVIDED, that a director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advancement of such service by the remaining directors.

Section 4.12. Rules, Regulations, Rate Schedules and Contracts. The Board of Directors shall have the power to make, adopt, amend, abolish and promulgate such rules, regulations, rate schedules and contracts, 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 4.13. Accounting System and Reports. The Board of Directors shall cause to be established a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records reflecting operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the following annual meeting of the members.

Section 4.14. Subscription to *Carolina Country*. The Board of Directors shall be empowered, on behalf of and for circulation to the individual members of the Cooperative, to subscribe to *Carolina Country*, including, if the Board so elects, a Cooperative newsletter insert therein covering local activities and operations of the Cooperative. The yearly subscription rate per member for such publication shall be paid for each member of the Cooperative from any funds accruing in each member's favor, so as to reduce such funds in the same manner as would any other expense of the Cooperative.

ARTICLE V MEETINGS OF DIRECTORS

Section 5.01. Regular Meetings. A regular meeting of the Board of Directors shall be held, without notice, immediately after the adjournment of the annual meeting of the members at such

site as designated by the Board in advance of the annual member meeting. A regular meeting of the Board of Directors shall also be held monthly at such date, time and place in Madison County, North Carolina, as the Board of Directors may provide by resolution. Except when business to be transacted thereat shall require special notice, such regular monthly meeting may be held without notice other than such resolution fixing the date, time and place thereof: PROVIDED, that any director absent from any meeting of the Board at which such 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

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

Section 5.03. Notice of Directors' Meetings. Written notice of the date, time, place and purpose or purposes of any special meeting of the Board, and when the business to be transacted thereat shall require such, of any regular meeting of the Board, shall be delivered to each director not less than five (5) days prior thereto, either personally or by mail, by or at the direction of the Secretary or, upon his default in this duty, by him or those calling it in the case of a special meeting, or by any other director in the case of a regular 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 Cooperative's records, with postage thereon prepaid and postmarked at least five (5) days prior to the meeting date. The attendance of a director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business or one or more items of business on the grounds that the meeting shall not have been lawfully called or convened.

Section 5.04. Quorum. The presence of a majority of the directors in office shall be required for the transaction of business and the affirmative votes of a majority of the directors in office shall be required for any action to be taken: PROVIDED, that a director who by law or these bylaws is disqualified from voting on a particular matter shall not, with respect to consideration 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 director(s) to be duly and timely notified of the time and place of such adjourned meeting.

ARTICLE VI OFFICERS

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

Section 6.02. Election and Term of Office. The officers listed in Section 6.01 shall be elected by ballot, annually and without prior nomination, by and from the Board of Directors at the first meeting of the Board held after each annual meeting of the members. If the election of such officers shall not be held at such meeting, it shall be held as soon thereafter as conveniently may be. Each such officer shall hold office until the meeting of the Board 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 the bylaws with respect to the removal of directors by the members and to the removal of officers by the Board of Directors. Any other officers may be elected by the Board from among such persons, and with such title, tenure, responsibilities, and authorities, as the Board of Directors may from time to time deem advisable.

Section 6.03. Removal. Any officer, agent or employee elected or appointed by the Board of Directors may be removed by the Board whenever in its judgment the best interests of the Cooperative will thereby be served.

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

Section 6.05. President. The President:

- (a) shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors;
- (b) shall sign, with the Secretary, certificates 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 shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6.06. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6.07. Secretary. The Secretary shall:

- (a) keep the minutes of the meeting 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 certificates of membership prior to the issue thereof and all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these bylaws or is required by law;
- (d) keep a register of the post office address of each member, which address shall be furnished to the Secretary by such member;
- (e) sign with the President certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors;
- (f) have general charge of the books of the Cooperative in which a record of the members is kept;
- (g) keep on file at all times a complete copy of the Cooperative's Certificate of Incorporation and of its Bylaws, together with all amendments thereto, which copies shall always be open to the inspection of any member, and at the expense of the Cooperative forward a copy of such documents and of all amendments thereto upon request to any member; and
- (h) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6.08. Treasurer. The Treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the Cooperative;
- (b) receive and give receipts for moneys due and payable to the Cooperative from any source whatsoever, and deposit all such moneys in the name of the Cooperative in bank or banks 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 duties as from time to time may be assigned to him by the Board of Directors.

Section 6.09. Delegation of Secretary's and Treasurer's Responsibilities. Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer hereinbefore provided in Sections 6.07 and 6.08, 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' such duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

Section 6.10. Manager. The Board of Directors shall appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.

Section 6.11. Bonds of Officers. The Board of Directors shall require the Treasurer or 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.

Section 6.12. Compensation. The Compensation, if any, of any officer, agent or employee who is also a director or close relative of a director shall be determined as provided in Section 4.11 of these bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed by the Board of Directors.

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

ARTICLE VII CONTRACTS, CHECKS AND DEPOSITS

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

Section 7.02. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidence of indebtedness issued in the name of the Cooperative, shall be signed by such officers, agents or employees of the Cooperative in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 7.03. Deposits. 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 other financial institutions as the Board of Directors may select.

ARTICLE VIII MEMBERSHIP CERTIFICATES

Membership in the Cooperative shall, if the Board so resolves, be evidenced by a certificate of membership which shall be in such form and shall contain such provisions as shall be determined by the Board of Directors not contrary to, or inconsistent with, the Cooperative's Certificate of Incorporation or Bylaws. Such certificate, if authorized to be issued by the Board, shall be signed by the President and by the Secretary and the corporate seal shall be affixed thereto or a facsimile thereof printed thereon: PROVIDED, that the signatures of the President and the Secretary may be imprinted by facsimile thereon.

**ARTICLE IX
NON-PROFIT OPERATION**

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

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

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

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

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

Notwithstanding any other provisions of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire such capital immediately upon such terms and conditions as the Board of Directors, acting under policies of general application to situations of like kind, and such legal representatives shall agree upon: PROVIDED, however, that the financial condition of the Cooperative will not be thereby impaired.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms 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.

**ARTICLE X
WAIVER OF NOTICE**

Any member or director may waive, in writing, any notice of meetings required to be given by these bylaws.

**ARTICLE XI
DISPOSITION OF PROPERTY: DISTRIBUTION OF
SURPLUS ASSETS ON DISSOLUTION**

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 (10%) per centum 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 to do so by the votes cast in person by at least two-thirds of its total membership, without proxies and by the consent of the holders of seventy-five (75%) per centum in amount of the Cooperative's outstanding bonds, except that 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 (1) to borrow moneys from any source and in such amounts as the Board may from time to time determine and (2) to mortgage or otherwise pledge or encumber any or all of the Cooperative's property or assets as security therefor. Upon the Cooperative's dissolution, any assets remaining after all liabilities or obligations of the Cooperative have been satisfied and discharged shall be distributed among all persons who shall have been members of the Cooperative at any time during the fiscal year in which such dissolution is authorized by vote of the members or any of the six (6) next preceding fiscal years, prorated to them on the basis that their respective patronage during all such years bears to the total receipts of the Cooperative for all such years.

Notwithstanding the foregoing or any other provisions of these bylaws, no sale or lease-sale of all or in excess of ten (10%) per centum of the Cooperative's assets to any other entity shall be authorized except in conformity with the following:

- (1) If the Board of Directors looks with favor upon any proposal for such sale or lease-sale, it shall first cause three (3) independent appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale or lease-sale and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a Superior Court Resident Judge for the Judicial District in North Carolina in which the Cooperative's headquarters are located.
- (2) If the Board of Directors, after receiving such appraisals (and any other terms and conditions which are recommended, if any), determines that the proposal should be submitted for consideration by the members, it shall first give every electric membership corporation nearby or adjacent to the Cooperative (which has not made such an offer for sale or lease-sale) an opportunity to submit competing proposals. Such opportunity shall be in form of a written notice to such electric membership corporations, which notice shall attach a copy of the proposal which the Cooperative has already received and a copy of the reports of the three (3) appraisers. Such electric membership corporations shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in written notice given to them.
- (3) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members, expressing in detail each of any such proposals and shall call a special meeting of the members for consideration thereof, which meeting shall not be held sooner than ninety (90) days after the giving of such notice to the members: PROVIDED, that consideration thereof by the members may be given at the next annual member meeting if the Board so determines and if such annual meeting is not held sooner than ninety (90) days after the giving of such notice.
- (4) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days before the date of such special or annual meeting, may cause the Cooperative, with the

cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the recommendations that the Board has made.

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

**ARTICLE XII
FISCAL YEAR**

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

**ARTICLE XIII
RULES OF ORDER**

Parliamentary procedure at all meetings of the members, of the Board of Directors, of any committee provided for in these bylaws and 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 XIV
SEAL**

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

**ARTICLE XV
AMENDMENTS**

These bylaws may be altered, amended or repealed by the affirmative vote of not less than a majority of the Board of Directors in office at any regular or special meeting of the Board, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof.

**Adopted April 20, 1976
Amended March 26, 2002
Amended June 27, 2006
Amended June 20, 2013
Amended December 23, 2014**

SERVICE RULES AND REGULATIONS

Of French Broad Electric Membership Corporation

100 ELECTRIC SERVICE AVAILABILITY

101 Application for Service

Any applicant shall sign a written application for membership and pay any consumer deposit that may be required by the Cooperative. In this application, applicant shall agree to purchase from the Cooperative all central station electric energy used on premises and to be bound by the Cooperative's Certificate of Incorporation and Bylaws and all rules, regulations, and rate schedules established pursuant thereto.

A supplemental written contract on form provided by Cooperative may be required from any applicant whose estimated demand is 50KW or more and may be required from any applicant to which extension of service beyond 1000 feet is applicable under Section No. 103.

There will be a service charge for meters installed during normal working hours in the amount of \$25*. For meter installation requested after normal working hours, there will be an additional charge of \$50*.

The Cooperative has the right to refuse service if it is determined that the person seeking service is attempting to evade payment of a past-due account or assisting someone else evading a past-due account.

102 Consumer Deposits

Each member served under residential rates shall deposit a minimum deposit of \$500 per account. Management may require an additional deposit where prior experience indicates that a customer is considered a credit risk. In lieu of any deposit, an approved letter of good credit from the previous supplier of electricity indicating a prompt payment record over the past twelve months may be accepted, or another member in good standing may have the service connected in his name and accept responsibility for payment of the bill, or a written agreement may be obtained from the property owner that he will guarantee payment by putting the account in his name.

Commercial consumers that make application under the regular commercial rate and not under special contract may be required to pay a deposit based upon the greater of \$500 or the estimated amount of two month's power bill when in full operation.

Deposits other than those described above may be required by special contract or when, as determined by the Cooperative management, such deposit is necessary due to the type of service. Such deposit will be based upon the risk of a business enterprise, the reputation and history of the premises, and the financial dependability of the member.

Consumer deposits shall be refunded with interest to members who pay their bill on time for 12 consecutive months. The interest rate will be based on the passbook savings rate in effect at local banks and will be adjusted January 1 of each year.

When service is disconnected for any reason, the consumer deposit, if not already refunded, will be refunded or applied against any unpaid balance owed to the Cooperative.

103 General Extension Policy

A. Permanent Dwelling. It is the desire and intention of the Cooperative to make electric service available to all permanent residences in its service area consistent with sound business practice and proper management. The Cooperative considers a permanent residence to be a fixed, permanent dwelling connected to an inspected and approved septic and water systems. It has been found that the Cooperative can, in some instances, construct an overhead extension up to 1000 feet without substantially costing more than the average rural line extension. It is, therefore, the policy to construct any overhead extension for a distance of 1000 feet for a guaranteed revenue (minimum bill) per month as governed by

*subject to applicable Utility Sales Tax

the applicable rate schedule. This construction will take place along the most feasible route determined by the Cooperative. The member will pay any additional costs associated with a more expensive route. If the overhead extension exceeds 1000 feet, the member requesting such service will pay in advance an aid to construction for the line extension costs beyond the first 1000 feet. In all cases other than a permanent residence, a credit up to \$1000 will be given to a new line extension and the member will be responsible for all additional costs and will pay such in advance. The Cooperative retains ownership of all facilities and retains the right to serve other members from these facilities and to tap these facilities to serve other members.

The member will provide the Cooperative with all necessary right-of-way easements for said construction.

In the event the meter is not connected at the time of electrical service is made available, a minimum billing will be sent to the member for such service.

B. Underground Subdivision. A subdivision is defined as a tract of land which is divided into multiple parcels to be sold as individual lots. The Cooperative strives to provide the developer of this property adequate electrical service to each lot. Since each development is unique in its design and layout, the Cooperative will determine the cost to provide adequate electrical service to each individual lot the developer desires to serve. These costs will include all the materials necessary and will be an aid to construction, due and payable by the developer before the Cooperative installs any part of the service. Labor to install these facilities will be provided; however, the overhead extension policy of 1000 feet is not applicable within a subdivision. The Cooperative retains ownership of all facilities and retains the right to serve other members from these facilities and to tap these facilities to serve other members. The developer will provide the Cooperative with all necessary right-of-way easements for said construction in addition to any aid to construction costs.

104 Temporary Service

A. Temporary service for construction of buildings or other establishments which will receive permanent service from the Cooperative upon completion will be provided under standard applicable rate and under same conditions as construction to permanent building or establishment as specified in Section No. 103, General Extension Policy.

1. Where permanent service will be underground secondary, the Cooperative reserves the right to require that temporary service will be taken at the Cooperative's last pole.
2. Where permanent service will be provided underground, the Cooperative reserves the right to refuse to provide temporary service utilizing the underground secondary conductor, if management determines that it would be unsafe to do so.

B. Temporary service for construction projects where Cooperative will not furnish permanent electric service (such as carnivals, fairs, etc.) will be furnished under standard applicable rates, upon receipt of contribution in aid to construction and/or facilities extension charge equal to twice the estimated labor and other costs in constructing the line plus the cost of any unsalvageable material.

105 Service Connection

The Cooperative has the right, in rendering service to member, to install poles, lines, transformers, or other equipment on member's property and to locate delivery point and meter thereon, as the Cooperative decides this should be done, considering among other things economics of construction and adequacy of electric service.

All conductor provided by Cooperative will be of sufficient ampacity to carry the anticipated load taking into consideration transformer ampacity, diversity, and distance from the transformer to the load. Any additional ampacity required of the member's wiring that is required by state or local government or excessive length beyond the control of the Cooperative shall be the responsibility of the member.

In general, only one service drop will be installed to serve a building. The service must be installed at a point acceptable to the Cooperative. The Cooperative reserves the right to refuse connection to a service if it has not been placed at a location specified by the Cooperative. The Cooperative assumes no liability beyond the point of connection at the member's wiring. Service conductors, meters, and other Cooperative equipment shall not be connected or disconnected by electrical contractors or others. If such

connection is made by unauthorized persons, the service will be subject to immediate disconnection without notice to the member. The Cooperative will not be liable for any loss or damage resulting either from unauthorized connection of service or from consequent disconnection of the service by the Cooperative.

The Cooperative will provide and install the meter and requires the member to purchase and install an approved meter base.

The Cooperative will provide current transformer metering for anticipated demands that exceed 100KW as determined by the Cooperative.

On an existing dwelling where the meter is located inside of the building prior to November 24, 1992, the account may be pole metered at the Cooperative's discretion and expense.

Permanent service connection will be made when the following conditions are met:

1. Signed Application for Service.
2. Payment of deposit, if required.
3. Payment of any previous amounts owed to the Cooperative, if applicable.
4. Completion of any Supplemental Written Contract or Agreement, if required.
5. Payment of any required aid to construction.
6. Executed right-of-way easements.
7. Proof of inspections required to meet local and state governmental standards.

A. Overhead Service Connection. The point of delivery for overhead service shall be at the member's weatherhead. All wiring on the load side of the weatherhead shall be the sole responsibility of the member and shall be wired in accordance with the National Electrical Code and comply with all local and state government permits and regulations.

The point of attachment of a service drop to a building should be at least 15 feet above ground where practicable, but shall in no case be less than 12 feet or more than 25 feet. The point of attachment shall be at a height to permit the service drop to be installed with a minimum clearance of 20 feet over public roads, streets, or alleys, 18 feet over private driveways and 18 feet over space accessible to pedestrians only. Clearances as required by the National Electrical Safety Code and the National Electrical Code shall be maintained between communication wires and electrical wires. The member shall provide and maintain a safe substantial support for the Cooperative's service wires and in no case will the Cooperative be responsible for the condition of any member's building to which the wires are attached. Houses, buildings, mobile homes, etc., having a low roof may require an extension support above the roof in order to provide the necessary clearances. Where rigid conduit is used for the extension support, it shall have a minimum diameter of two (2) inches and shall not extend over three (3) feet and six (6) inches above the roof and shall be sufficiently anchored.

B. Underground Service Connections

1. New Secondary Service (120 to 600 volts). The Cooperative will, at the member's option, install underground secondary electric service from its primary facilities to provide electric service to any new premise, provided the member agrees to provide his own trenching and back-filling which will meet the specifications of the Cooperative, and the member will provide the Cooperative with all necessary easements, rights-of-way, franchises, and permits for the installation of such underground facilities or system. This is not applicable for three phase service, Large Power Service, or single wide metal frame mobile homes.

2. Meter Located on House or Building. Point of delivery shall be at the top lugs of the meter base. It shall be the responsibility of the member to have the meter base and all wiring on the load side of the meter base to be wired in accordance with the National Electrical Code and comply with all local and state government permits and regulations.

3. Pole-metered Underground Service to House or Building. If a member chooses to locate his meter on a pole, the point of delivery shall be at the weatherhead of the pole meter. It shall be the responsibility of the member to provide the wire, mast, and weatherhead for the pole meter, to provide and install the secondary wiring to the house or building, and to have the electrician connect the underground secondary cable in the meter base and the house in accordance with the National Electrical Code and all state and local government permits and regulations.

C. Primary Service Connections. If a member desires to take service at primary voltage, all substation structures and or vaults and all substation electrical equipment shall be installed, owned and maintained by the member. It is the responsibility of the member to make or to pay for the primary feeder line from the bottom of the disconnect switches on the pole to the substation or vault. All equipment shall comply in all respects with the National Electrical Code, National Electrical Safety Code, and Cooperative specifications.

D. New Primary Service (Above 600 Volts). At the discretion of the Cooperative and upon the request of the member or property owner, the Cooperative may install new primary electric service facilities underground, provided the member or property owner agrees to execute an "Agreement for Primary Underground Electric Service" and to make advance payment of aid to construction for the difference in cost between overhead and underground facilities, open all ditches to a depth specified by the Cooperative, provide proper bedding of the ditch bottom if required, backfill ditch after cable has been installed, and provided the member and/or property owner will provide the Cooperative with all necessary easements, rights-of-way, franchises, and permits necessary for the installation of the underground facilities. In the event the Cooperative has to make an additional site visit due to the opened ditch not meeting the Cooperative specifications, a \$150* service fee may be charged for each additional visit. Nothing in this section shall preclude the provisions of Section 103 (General Extension Policy).

E. Transformer Vaults. Where conditions are such that it is necessary to install transformers within a building on the member's premises, the member will provide a suitable vault, with approved locks and keys available to Cooperative personnel, enclosure or space as specified by the Cooperative, to house the transformer and accessories. Vaults shall be located so as to be easily accessible for installation, maintenance, and removal of apparatus and should have the entrance on the outside of the building. Transformer vaults shall contain only the transformers and their auxiliary equipment. The member's secondary fuses, switches, circuit breakers, and the Cooperative meters shall not be installed in the transformer vaults.

F. Service to Mobile Homes. The Cooperative will provide a service pole near the mobile home and allow the member to place his meter base, service mast, and disconnect device on this pole. The point of delivery shall be at the weatherhead of the member's service mast, located on that pole. It shall be the responsibility of the member to provide all wire and wiring on the load side of the weatherhead point of delivery in accordance with the National Electrical Code and all local and state government permits and regulations.

G. Additional Service Connection. A member may have any number of connections under one membership. However, member applying for additional service connection may be required to sign a written application on form provided by Cooperative and an additional deposit may be required.

H. Non-standard Service. Member shall pay the cost of any special installation necessary to meet the particular requirement for service at other than standard voltage, or for the supply of closer voltage regulation than required by standard practice, including items such as capacitors, motor protection devices, grounding and bonding, and computer isolation equipment. The Cooperative will assist the member in the technical development of high quality electric service.

I. Multiple Classes of Service. Members applying for more than one class of service on the same premises will arrange their wiring so that each class of service can be metered separately.

J. High Demand Service. Members who add Electric Tankless Hot Water Heaters or other electrical devices which mandate that the cooperative's electrical facilities be upgraded, including but not limited to service wires and transformers, shall be responsible for the entire cost of such upgrades. See Section 311.

106 Advance Notice For Service

Any person desiring service where facilities already exist will be expected to give the Cooperative at least a 48-hour advance notice. In the event construction is required to provide service, a minimum of ten days advance notice is required provided there is no difficulty in the member securing the right-of-way easement or materials.

**subject to applicable Utility Sales Tax*

107 Continuity of Service

The Cooperative shall use reasonable diligence to provide and maintain service, but in case of cessation, deficiency, variation of voltage, or any other failure or reversal of the service, resulting from acts of God, public enemies, accidents, strikes, riots, wars, failure of equipment, repairs, orders of Court, or other acts beyond the reasonable control of the Cooperative, it shall not be liable for damages, direct or consequential, resulting from such interruption or failure.

It is the policy of the Cooperative to notify the members, if practicable, when it becomes necessary to have a scheduled interruption that affects a large number of members and to schedule the interruption only when necessary and, if possible, at the convenience of the members. Please notify the Cooperative and update phone numbers and contact information.

108 Standard Supply Voltages

One system of alternating current, 60 cycles per second, is supplied throughout the Cooperative's system.

The voltage, number of phases, and type of metering which will be supplied depends upon the Cooperative's facilities available and upon the character, size and location of the load to be served. Therefore, the member shall consult the Cooperative before proceeding with the purchase or installation of wiring or equipment. To avoid misunderstanding, this information should be in writing. The standard secondary voltages described below are nominal and are subject to a plus or minus 5 percent variation on a 120-volt basis:

- Single phase, 2-wire, 120 volts
- Single phase, 3-wire, 120/240 volts
- Three phase, 4-wire, Wye, 120/208 volts
- Three phase, 4-wire, Delta, 120/240 volts
- Three phase, 4-wire, Delta, 240/480 volts
- Three phase, 4-wire, Wye, 277/480 volts

The standard primary voltages described below are nominal and are subject to a plus or minus 5 percent variation on a 120-volt basis:

- *Single phase, 2-wire, 7200 volts
- *Three phase, 4-wire, 7200/12470 volts
- *In some areas, insulation levels must meet requirements for 14400/24900 volts.

It will not be considered a violation when voltages outside of the prescribed limits are caused by any of the following:

- a. action of the elements
- b. service interruptions
- c. temporary separation of parts of the system from the main system
- d. infrequent fluctuations of short duration
- e. addition of member equipment without proper notification to the Cooperative
- f. emergency operations
- g. the operation of the member's equipment
- h. other causes beyond the control of the Cooperative.

200 CLASSES OF SERVICE

201 Residential Service

This service is applicable to members for all legal uses in the home and on the farm on a permanent year round basis. Buildings or facilities incidental to farm or residential use may be billed from a single meter, meter pole, or individual meters at the option of the member.

In multi-family residential buildings, each family unit must be individually metered unless the monthly rental charge includes cost of electric service, in which case the billing will be under the applicable Small Commercial or Large Power rate.

When the member has a residence and business on the same meter, the member may be billed under the Small Commercial Rate.

202 Seasonal Residential Service

This service is applicable to any home or apartment that is occupied for a period totaling not more than nine months per year. Meters will be read in accordance with Section No. 402A.

203 Small Commercial Service

This service is applicable to all commercial members, including public schools, churches, and fraternal organizations, that have a billing demand of less than 50KW. A member who has a residence in a commercial establishment and is billed through one meter may be under this rate.

204 Large Power Service

This service is applicable to members having a billing demand of more than 50KW but less than 1000KW.

205 Extra Large Power Service

This service is applicable to members having a billing demand of greater than 1000KW.

206 Security Lights

This service is applicable to all members and provides for the installation, normal maintenance and power for a 175 Watt mercury vapor luminaire. The light will be billed on the applicable rate schedule in effect at that time. There will be a \$25* service charge for a connect or reconnect of each security light. If more than one wooden pole is necessary to install the light there will be, at the discretion of management, either an aid to construction cost to cover the additional construction expenses incurred or an additional charge of one dollar per pole per month may be charged.

207 Street Lighting Service

This service is applicable to towns, municipalities, and other organizations desiring street lighting services utilizing standard FBEMC outdoor lighting fixtures. Such lighting will be billed under the applicable rate schedule in effect. There will be an aid to construction cost to cover unusual construction expenses to provide this service.

208 Home Power Service

This service is applicable to any residential home which may have an alternative power source for continuous use to supply some or most of the electrical needs of the home. Such alternative power sources could be solar, micro-hydro, fuel cell, wind or other. This rate is not available for commercial, industrial, or standby generation service. This rate schedule is also not available for small power producers under the Public Utilities Regulatory Act (PURPA). Meters will be read and billed in accordance with Section No. 402.

209 Residential Generation Service

This service is applicable to any member who chooses to invest and install a renewable energy generation facility. Such alternative power sources could be solar, micro-hydro, fuel cell, wind, biomass or other not in excess of 10 kW, which are interconnected directly with the Cooperative's electrical system and which are qualifying facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978. This rate schedule is not available for commercial, industrial, emergency or standby generation service. A separate interconnection agreement will be required prior to meter installation.

210 Commercial Generation Service

Applicable for commercial customers that have an alternative renewable power source for the generation of electric power and a commercial account with the Cooperative. Such alternative power

**subject to applicable Utility Sales Tax*

source could be solar, micro-hydro, fuel cell, wind, biomass, or other which are interconnected directly with the Cooperative's electrical system and which are qualifying facilities as defined by the Federal Energy Regulatory Commission pursuant to Section 210 of the Public Utility Regulatory Policies Act of 1978. The minimum rated generation capacity for this rate shall be 10 kW. This rate schedule is not available for standby generation service. A separate interconnection agreement will be required prior to meter installation.

300 MEMBER RESPONSIBILITIES

301 Easements and Rights-of-way

It is the member's responsibility to furnish without cost to the Cooperative all easements and rights-of-way necessary for the construction, operation, maintenance, or relocation of the Cooperative's facilities.

302 Wiring of Premises

All member wiring and equipment should meet the requirements of the National Electrical Code and of the Cooperative, in addition to the specifications of any local authorities having jurisdiction. Proof of inspections required to meet local and state governmental standards of the premise's wiring shall be made available by the member.

Electric service is supplied by the Cooperative and purchased by the member upon the express condition that after it passes the point of delivery it becomes the property of the member to be used only as provided in the Service Rules and Regulations. The Cooperative will not be liable for loss or damage to any person, property, business losses or consequential damages whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electric service after it passes the point of delivery or for any loss or damage resulting from the presence, character, or condition of the wires or equipment of the member or for the inspection or repair of the wires or equipment of the member.

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.

303 Right of Access

The member agrees that the Cooperative will have right of access to member's premises at all times for the purpose of reading meters, testing, repairing, removing, maintaining or exchanging any or all equipment and facilities which are the property of the Cooperative, or when on any other business between the Cooperative and the member.

304 Notice of Trouble

Member shall notify the Cooperative immediately should electric service be unsatisfactory for any reason or should there be any defects, trouble, accidents or hazardous condition that may adversely affect electric service or endanger the public.

305 Additional Equipment for Special Loads

The member must furnish the additional facilities, protective devices or corrective equipment necessary to provide adequate service and prevent interference to the Cooperative's other members, if the member's load characteristics make this necessary. Such loads include, but are not limited to, those requiring excessive capacity because of large momentary current demands or requiring close voltage regulations, such as welders, X-ray machines, shovel loads, motor starting across the line, etc.

306 Multi-Phase Service

When multi-phase service is furnished, the member will at all times maintain a reasonable balance of load between the phases. Three-phase motors with high-starting or fluctuating currents must have FBEMC approved reduced voltage starting equipment.

307 Power Factor Correction

The member will at all times maintain a power factor at the point of delivery as close to one hundred (100%) percent as practicable. Where the overall power factor of the member's load is less than 90 percent lagging, the Cooperative may require the member to install, at the member's own expense, equipment to correct the power factor, and may adjust the member's billing demand as specified by the applicable rate schedule. The Cooperative reserves the right to measure the power factor at any time.

308 Cooperative Property

All meters, service connections and other equipment furnished by the Cooperative will be, and will remain, the property of the Cooperative. The member will not interfere with or alter the Cooperative's meters, seals, or other property, or permit the same to be done by anyone other than the Cooperative's authorized agent or employee. Damage caused or permitted by the member to the Cooperative's property will be paid for by the member.

No person or organization will install or attach any wire, sign(s), or other material or equipment to any of the Cooperative's poles, conductors, or other fixtures, except with the express written consent of the Cooperative.

No person, except the employees of the Cooperative, shall alter, remove, or make any connections to Cooperative's meter or service equipment.

309 Termination of Service by Member

For termination of service, the member should give a minimum of two working days' notice prior to requested disconnection unless a written contract specifies otherwise.

A member may voluntarily withdraw in good standing from membership under both of the following conditions:

A. Payment of any and all amounts due the Cooperative, and cessation of any noncompliance with the membership obligations, all as of the effective date of withdrawal; and either removal to other premises not furnished service by the Cooperative, or ceasing to use any central station electric service whatever at any of the premises to which such service has been furnished by the Cooperative pursuant to the application for service and/or supplemental written contract; and

B. Upon such withdrawal, the member will receive a refund of the balance of any consumer deposit held by the Cooperative after being applied to the member's final bill.

310 Cold Weather Disconnection Certification

The member agrees to promptly notify the Cooperative with proper certification of special handling of the member's account with respect to the Cold Weather Disconnection provisions in Section No. 406.

311 Additions/Changes to Member's Equipment

The member agrees to be responsible for notifying the Cooperative of any additions to or changes in the member's equipment which might affect the quality of service or might increase the member's electrical demand.

400 BILLING, PAYMENT, DISCONNECTION FOR CAUSE

401 Meter Testing

All meters are the property of the Cooperative. Every effort is exerted to maintain a high standard of accuracy by routine meter testing and by testing meters prior to re-installation. If a member desires to have a meter checked or tested, there will be a fee of \$50* charged in advance for the meter test. After receipt of payment, the Cooperative will test the meter and render a written report of the test to the member. If the test results indicate that the meter is registering over the legal limit of 2 percent fast, the member's test fee will be refunded and appropriate adjustments made to his account. If the meter tests within the legal limit, the Cooperative will retain the test fee to offset the expense of testing the meter.

**subject to applicable Utility Sales Tax*

If the meter stops or fails to register correctly, the member will be billed on an estimated consumption based on previous usage of past months and similar months of past years.

402 Billing and Payment

A. Billing Methods. Bills may be received through the following methods:

1. U.S. Mail
2. Electronically via e-mail

B. Billing Dates. All meters, except for accounts that are classified as seasonal, will be read by the Cooperative's automated meter reading system on an approximate 30-day cycle and bills will be rendered within 5 working days following the meter reading. Meters for seasonal accounts will be read at least annually and adjustments made on the billing if necessary.

C. Due Dates. Bills are due and payable upon receipt and are considered delinquent if payment is not received in the office by the close of business on the due date as specified on the bill. Members whose accounts remain unpaid 15 days after the due date on the bill will be subject to the collection and disconnection procedures of the Cooperative.

D. Late Fees. A late fee will be assessed to any account with a past due amount. This fee will be 1.5% of the total past due amount with a \$2.50 minimum amount and will be compounded monthly.

E. Method of Payment. Payment may be made by any of the following methods:

1. U.S. mail.
2. In person at the Main Office in Marshall, NC, or the District Offices located in Burnsville and Bakersville, NC, or at the Greene County Bank in Hot Springs, NC.
3. Night deposit box at either the Marshall, Burnsville and Bakersville office locations.
4. Online bill payment through the cooperative's website.
5. Bank draft.
6. Visa, MasterCard or Discover through the cooperative's website or by phone.

F. Collection and Disconnection Procedure. The Cooperative desires to assist all members with past-due bills to bring their accounts into current status. Members are encouraged to contact the Cooperative about their past-due bills before collection and disconnection procedures are carried out as described in Section 402.B. Appropriate arrangements for the payment of past-due bills may be made prior to disconnection of service under Section 402.B. All electric bills rendered by the Cooperative will have the appropriate provisions of Notice of Late Payment Fees and Disconnection of Service for Non Payment clearly printed on them and will serve as the member's Notice of Late Payment Fees and Disconnection of Service for Non Payment. This will be the member's only notice and includes the full amount past due. In the event that the entire past due amount is not paid after the due date on the notice and the amount is not subject to a written extension of credit approved by the District Manager, electric service will be disconnected without further notice. If service is disconnected for nonpayment, a deposit will be required in order to have the service reconnected. Members with past due bills may request information from FBEMC about appropriate agencies and organizations that may be able to assist the members in the payment of their past-due bills. FBEMC will advise members requesting such information about such agencies and organizations that are known to FBEMC.

G. Reconnect Fees and Past Due Amounts. If member is disconnected for failure to pay his or her bill, in addition to all monies owed the Cooperative including current due amounts, a reconnection fee will be charged. This reconnection fee shall be \$25* during regular working hours and \$50* after normal work hours. In addition to the reconnect fee, the member shall be responsible for the normal \$25* service charge. Failure to receive a bill in no way exempts a member from these terms and conditions. In the event disconnection results from discovery of meter tampering, a service repair or replacement fee of \$100* for a first offense or \$200* for a second offense and a charge for estimated unmetered power will be charged in addition to the other reconnect fees provided in this section. Upon a third offense, the Cooperative will have the right to refuse service to the member indefinitely.

H. Correction for Billing and Meter Reading Errors. The Cooperative will render a corrected bill when an error in billing or reading of meter has been made.

I. Returned Check Policy. Where the member pays his bill by check, bank draft, or electronic check, whether presented in person or through the mail, the member agrees that the Cooperative may charge

and collect a processing fee, not to exceed \$30, for checks on which payment has been refused by the payor bank.

Anyone writing such checks shall be notified immediately and a charge of \$30 shall be added to their account. It is a violation of North Carolina law to present checks of insufficient funds, and anyone doing so is subject to immediate disconnection and possible prosecution. If the Cooperative receives such a check from a person, the Cooperative can refuse to accept further checks from that person.

J. Waiver of Default. Any delay or omission on the part of the Cooperative to exercise its right to discontinue service, or the acceptance of a part of any amount due, will not be deemed a waiver by the Cooperative of such right if the member continues to be or again becomes non-compliant with the terms of these Service Rules and Regulations.

403 Disconnection of Service by Cooperative

A. Service may be disconnected after notice has been given and reasonable time to comply has been allowed for noncompliance with the Bylaws of the Cooperative, the Service Rules and Regulations, or any applicable federal, state, or other local laws, regulations or codes, including, but not limited to, nonpayment and/or refusal of access to the Cooperative's meters or other facilities on the premises.

B. The Cooperative may disconnect service immediately and without notice for the following reasons:

1. Discovery of meter tampering or diversion of current.
2. Use of power for unlawful, unauthorized, or fraudulent reasons.
3. Assist any member in evading a past due account.
4. By order of public authority.
5. Discovery of an electrical condition determined by the Cooperative to be potentially dangerous and eminently hazardous to life or property of the Cooperative or the public.
6. For repairs, emergency operations, unavoidable shortages, or interruptions in the Cooperative's supply source.
7. Introduction of foreign electricity on the premises without prior written consent.
8. At the request of the member.

C. In the event The Cooperative discovers that a member is assisting another member in evading a past due bill, The Cooperative has the right to transfer the total past due amount to the existing members account. This amount is due in full within 10 business days or the existing member's service can be disconnected. The Cooperative will attempt to notify the member of this infraction however, once evasion is discovered, the only recourse for the existing member is full payment of the amount owed to avoid an interruption in service.

404 Reconnection of Service by Cooperative

Subsequent to the disconnection of electric service by the Cooperative for reasons listed in the previous section, service may be reconnected under the following conditions:

A. Where the service has been discontinued for non-payment of a bill, meter tampering, unauthorized or illegal use of power, the Cooperative will have the right to refuse service to the same member, or to anyone assisting that member in evading a past-due account, until the infraction is corrected, credit is reestablished by the member and all applicable monies owed to the Cooperative have been paid.

B. Correction of infraction.

C. Payment for any unmetered electricity if applicable.

D. Payment of appropriate reconnection fees and service charges.

E. Member must agree to comply with reasonable requirements to protect Cooperative against further infractions.

F. Member shall pay for any and all damages to Cooperative property as specified in Section No. 308.

405 Extension of Credit

At the discretion of management, credit may be extended to members in accordance with the following standards:

A. When it is determined by management that enforcement of the disconnection for nonpayment provisions of Section 402.B will constitute an undue hardship in relation to the amount of the delinquent bill or that extension of credit for a time, not to exceed 90 days beyond the due date of the oldest unpaid bill will not unduly impair the Cooperative's ability to effectuate final collection of the bill; or

B. When the member involved establishes to the satisfaction of the Cooperative that his/her failure to pay the bill has resulted from some mistake on the Cooperative's part or some mistake for which the member was not responsible; or

C. When the involved bill is a final bill covering service to a farm, home, or other residential account and the main building thereof has been destroyed by fire not caused by act of arson on the part of the member or his family; or

D. When to disconnect service might impose immediate danger to the member or other persons due to illness or some hazardous condition, or when the household is immediately and directly affected by a death.

406 Cold Weather Disconnection

With respect to bills rendered between December 15 and March 15 of every year and in the spirit of the policy considerations expressed by Congress in the Public Utility Regulatory Policies Act (PURPA) of 1978, no termination shall take place without the express approval of the Cooperative's Board of Directors and notification of the North Carolina Rural Electrification Authority if the member can establish all of the following:

- A. That a member of the member's household is either disabled or 65 years of age or older.
- B. That the member is unable to pay for such service in full.
- C. That the household is certified by the local social service office which administers the Energy Crisis Assistance Program or other similar programs to be eligible (whether funds are then available or not) to receive assistance under such programs.

The member must provide advance notification and certification of meeting the requirements for special handling of accounts.

500 GENERAL

501 Office Hours

The Cooperative's main office is located at 3043 Highway 213 in Marshall, North Carolina, mailing address P.O. Box 9, Telephone (828) 649-2051 and 1-800-222-6190 which is a toll-free line for North Carolina and Tennessee incoming calls to the Marshall office. The Cooperative has a district office in Burnsville, North Carolina, Telephone (828) 682-6121, and in Bakersville, North Carolina, Telephone (828) 688-4815. Office and normal service hours are from 8 a.m. to 4:30 p.m., Monday through Friday. Service work is performed during normal work hours only, except for unusual conditions or circumstances. Emergency work is performed from these offices 24 hours a day, 7 days a week.

502 Other Services Available to Members

The Cooperative will investigate all reasonable requests by the member pertaining to his electric service, his power bill and the addition of electrically operated equipment.

The Cooperative will provide energy advice and evaluate proposed building plans and specifications and make general recommendations for heating and cooling systems, including insulation levels and weather stripping.

Cooperative personnel are available to present programs on electrical safety, conservation, energy usage, etc., to schools, civic organizations, and other groups upon request.

503 Charges Other Than for Electric Service

The Cooperative shall expect all other accounts to be paid in full upon the rendering of proper invoice. In the event an account is not paid within thirty days from the date of the original invoice, proper action shall be instituted for the collection.

504 Line and Facility Relocation

Upon request, the Cooperative will consider relocating lines, poles and facilities upon agreement and payment of the non-betterment cost of such relocation. Any additional right-of-way necessary for relocation will be the responsibility of the member to obtain.

Under most circumstances, the Cooperative will, upon request, raise or lower lines to afford a safe passage for buildings or equipment being moved. Parties making such requests will be required to pay the cost of labor and any material used, plus an appropriate charge for transportation equipment. Also, such parties will be required to make an advance deposit to the Cooperative of the estimated cost.

505 Resale of Power

Members shall not directly nor indirectly resell electric energy for any purpose. Members shall not divert electric energy to other premises or use it for purposes other than those permitted by the bylaws, rules and regulations of the Cooperative, and by state or local laws, rules and codes.

506 Right-of-Way Maintenance

Members shall grant to the Cooperative adequate right-of-way to provide service with the right to cut, trim, and control the growth of trees, shrubbery, and other vegetation located within the right-of-way or that may interfere with or threaten to endanger the operation or maintenance of said line or system. The Cooperative may leave the trees, brush, and other vegetation where it has fallen except that the Cooperative will endeavor to remove material in a yard, walkway, driveway or roadway and from fences or streambeds.

Members who desire to have trees trimmed or cut which are close to Cooperative power lines and could be a possible hazard to the lines, in the opinion of the Cooperative, may contact their nearest district office and request assistance from the Cooperative in cutting or trimming. The Cooperative will schedule such work at its convenience.

507 Foreign Electricity, Parallel Service, and Standby Generation

The member will not use the Cooperative's electric service in parallel with other electric service, nor will other electric service be introduced on the premises of the member for use in conjunction with or as a supplement to the Cooperative's electric service, without the prior written consent of the Cooperative.

Where approved standby and/or supplemental on-site generation is provided by the member, parallel operation of the member's generating equipment with the Cooperative's system will not be allowed, without express permission of the Cooperative. The member will install all protective devices specified in the National Electric Code, or the National Electric Safety Code, as applicable. A double throw switch must be used to prevent possible injury to Cooperative personnel and equipment by making it impossible for power to feed back into the main line from the emergency generator.

508 Qualifying Facilities and Independent Power Producers

The Cooperative is required to comply with the Public Utility Regulatory Policies Act of 1978 (PURPA), along with rules and regulations promulgated under PURPA as they relate to qualifying facilities (QF). Any owner/operator of a QF desiring to connect with and sell electric demand and energy to the Cooperative shall notify the Cooperative. Any contracts for the sale of electric demand and energy from a QF will be made between the owner/operator and the Cooperative.

509 Complaint Procedure

A full and prompt investigation will be made of all service complaints. The recommended order for handling quality of service or bill complaints is as follows:

- A. File a complaint at the local Cooperative office and allow reasonable time for investigation, advice, and action. If the results are not satisfactory, then:
- B. File a complaint with the Cooperative Manager, providing information and results from the initial complaint and/or naming local Cooperative personnel who handled the complaint. Allow reasonable time for the Manager to act. If the results are still not satisfactory, then:
- C. File a complaint with the North Carolina Rural Electrification Authority at 4321 Mail Service Center, Raleigh, North Carolina 27699, Telephone (919) 733-7513. Allow reasonable time for the Authority to act, then:
- D. If results are still not satisfactory, file a written complaint with the Cooperative Board of Directors. Allow reasonable time for the Board to schedule the item at a regular meeting. Allow reasonable time for the Board's orders on the matter to be carried out.

510 Approval and Cooperative's Board Authority

The Cooperative's Board of Directors is the governing body and is the final authority for making and revising these Service Rules and Regulations. These Rules and Regulations and all rate schedules are on file in the Cooperative's general office, and such filing and publishing will constitute official notice to all members on such changes. Failure of the Cooperative to enforce any of the terms of the Rules and Regulations will not be deemed as a waiver of its right to do so.

In case of conflict between any provision of the Bylaws and these Service Rules and Regulations, the Bylaws will prevail. In case of conflict between any provision of a rate schedule or rider and of these Service Rules and Regulations, the rate schedule or rider will prevail.

These Rules and Regulations and rate schedules and any changes will be filed with the North Carolina Rural Electrification Authority and, additionally, pursuant to North Carolina law (GS 62-138(f)), with the North Carolina Utilities Commission.

511 Bylaws

A copy of the bylaws is furnished to each member.

Adopted November 24, 1992
Revised January 25, 2000
Revised May 31, 2001
Revised June 25, 2002
Revised September 27, 2005
Revised July 25, 2006
Revised March 25, 2008
Revised April 28, 2009
Revised September 1, 2011
Revised July 1, 2012
Revised August 1, 2013

STATEMENT OF NONDISCRIMINATION

This institution is an equal opportunity provide and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.