LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION
Minutes of the Regular Meeting of the
Board of Directors
September 15, 2026

Pursuant to due notice thereof, a meeting of the Board of Directors of the Lumbee River Electric Membership Corporation was held at the Corporation's headquarters in Pembroke, North Carolina, beginning at 5:30 p.m., Tuesday, September 15, 2026. Directors present in person were Chairman Rory Eddings, Vice Chairman Roger Oxendine, James Hardin, Mary Beth Locklear, Erice Locklear, Treasurer Sharon M. Burnette, Kirk Lowery, Secretary Elaine O. Chavis, Rhonda Goins Dial, Ronald G. Hammonds, Sherry Carter, Anthony Hunt, and Ronald Anderson. Also present was Grady Hunt representing Hunt & Brooks, the Corporation's general counsel and President & CEO Jonathan T. Locklear.

Also present were the Executive Assistant Kim Chavis, Brian Hardin, Vice President of Financial Services, VP of Member Service & Community Relations Ruby Clark Quick, Vice President of Human Resources Marie Hussey, Joshua Locklear, Manager of Key Accounts, Director of Corporate Safety Mark Walters, VP of Eng. & Operations Matt Epps, Chief Operating Officer John Dyson and Craig Davis, Vice President of Information Technology.

The Chairman called the meeting to order and prayer was said by Vice Chairman Roger Oxendine.

1. A MOTION WAS DULY MADE BY BOARD MEMBER MARY BETH LOCKLEAR AND WAS PROPERLY SECONDED AND THE BOARD ADOPTED THE AGENDA. THE VOTE WAS CARRIED UNANIMOUSLY.

2. Jeff Brown, CEO of Sandhills Utility Services, LLC gave an update to the Board (see Exhibit "A").

3. A MOTION WAS DULY MADE BY SECRETARY ELAINE O. CHAVIS TO APPROVE THE AUGUST 18, 2026 BOARD MEETING MINUTES AND WAS PROPERLY SECONDED. THE VOTE WAS CARRIED UNANIMOUSLY.

4. Director of Corporate Safety Mark Walters presented the Safety Report for the month of August 2026. There were no incidents reported for the month of August 2026.

   A MOTION WAS DULY MADE BY BOARD MEMBER RONALD G. HAMMONDS AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE AUGUST 2026 SAFETY REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.

5. Secretary Elaine O. Chavis presented the Secretary's Report to the Directors for the Month of August 2026. A MOTION WAS DULY MADE BY BOARD MEMBER MARY BETH LOCKLEAR AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE AUGUST 2026 SECRETARY'S REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.

6. Treasurer Sharon M. Burnette presented the Treasurer's Report (Form 7) to the Directors for the Month of August 2026. A MOTION WAS DULY MADE BY BOARD MEMBER ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE AUGUST 2026 TREASURER'S REPORT. THE VOTE WAS CARRIED UNANIMOUSLY.

7. Brian Hardin presented the LREMC Financial Report for August, 2026.

   A MOTION WAS DULY MADE BY BOARD MEMBER ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE AUGUST 2026 ESTATE RETIREMENTS.

8. ATTORNEY'S REPORT: THE ATTORNEY HAD NOTHING TO REPORT.

9. President & CEO Jonathan T. Locklear updated the Board on the Employee Engagement Event that will be for a half day on September 24 at which they will be celebrating the milestone for safety. Also, RC Farm Bureau Safety Southeastern Academy will visit the Coop on September 25. Thanked the staff and members who participated in the Member Engagement & Energy Saver NC Expo held, Saturday, August 29, 2026 at LREMC Headquarters, Pembroke, NC.

10. Chairman Rory Eddings noted matters of interest to Directors to include the following:

    a. The official notice for the annual meeting will be mailed on Tuesday, September 22, 2026.
    b. The Candidate Meeting will be held on Monday, September 28, 2026.
    c. The 86th LREMC Annual Meeting will be held on Thursday, October 8, 2026, at LREMC Headquarters.
    d. The Bright Ideas Luncheon will be held on Thursday, October 15, 2026, at LREMC Headquarters, Training Rooms A&B at 11:30 a.m.

    Conference/Meetings/Others:

    e. Finance, Audit & Budget Committee Meeting will be held on Friday, September 25, 2026, at LREMC Headquarters, Pembroke, NC. beginning at 9 a.m.
    f. 2026 Statewide Orientation for Co-op Directors will be held Thursday, October 22, 2026 at NC Electric Co-op, Raleigh, NC.
    g. 2026 Fall Planning Session will be held Friday-Sunday, October 23-25, 2026 at the Marina Inn at Grande Dunes, Myrtle Beach, SC
    h. 2026 Winter School will be held Friday-Tuesday, December 11-15, 2026 at Gaylord Opryland Resort & Convention Center, Nashville, TN
    i. 2027 Directors Conference will be held January 17-20, 2027 in Tampa, FL
    j. 2027 NRECA PowerXchange/TechAdvantage Conference will be held Friday-Wednesday, February 12-17, 2027 at the San Diego Convention Center, San Diego, CA

11. A MOTION WAS DULY MADE BY VICE CHAIRMAN ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD ENTERED EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.

12. A MOTION WAS DULY MADE BY BOARD MEMBER ANTHONY HUNT AND WAS PROPERLY SECONDED TO LEAVE EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried.

13. A MOTION WAS DULY MADE BY VICE CHAIRMAN ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD CONFIRMED ALL ACTIONS TAKEN IN EXECUTIVE SESSION with no dissenting votes, and no further discussion, motion carried. All votes were reaffirmed without discussion as follows:

    a. A MOTION WAS DULY MADE BY BOARD MEMBER ANTHONY HUNT AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THE NRECA PLANS AS RECOMMENDED AND THE 2027 NRECA RENEWAL RATES. THE VOTE WAS CARRIED UNANIMOUSLY.

    b. A MOTION WAS DULY MADE BY BOARD MEMBER RONALD G. HAMMONDS AND WAS PROPERLY SECONDED AND THE BOARD APPROVED TO EXTEND THE HERBICIDE AND VEGETATION MANAGEMENT SERVICES CONTRACT FOR AN ADDITIONAL TWO (2) YEAR PERIOD SUBJECT TO THE AUTOMATIC ANNUAL ADJUSTMENT OF TWO PER CENT (2%) PER YEAR AS SET FORTH IN THE ORIGINAL CONTRACT AND INSTRUCTS STAFF TO PROCEED WITH THE EXECUTION OF THE EXTENSION. THE VOTE WAS CARRIED UNANIMOUSLY.

    c. A MOTION WAS DULY MADE BY BOARD MEMBER RONALD ANDERSON AND WAS PROPERLY SECONDED AND THE BOARD APPROVED THAT THE 2027-2029 ROW MAINTENANCE CONTRACT BE AWARDED TO XYLEM TREE EXPERTS AND INSTRUCTS STAFF TO PROCEED WITH THE MAINTENANCE. THE VOTE WAS CARRIED UNANIMOUSLY.

    d. A MOTION WAS DULY MADE BY VICE CHAIRMAN ROGER OXENDINE AND WAS PROPERLY SECONDED AND THE BOARD APPROVED TO INCREASE THE DAILY RATE FOR CREDENTIALS AND ELECTION COMMITTEE MEMBERS AT THE ANNUAL MEETING. THE MOTION PASSED.

14. A MOTION WAS DULY MADE BY VICE CHAIRMAN ROGER OXENDINE AND WAS PROPERLY SECONDED TO ADJOURN THE MEETING. THE VOTE WAS CARRIED UNANIMOUSLY.

RORY EDDINGS, CHAIRMAN

ELAINE O. CHAVIS, SECRETARY

SANDHILLS UTILITY SERVICES, LLC

SANDHILLS UTILITY SERVICES, LLC

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2025
LUMBEE RIVER EMC UPDATE – SEPTEMBER 15TH

Financial Summary



Cash: $6,235,666

Securities: $9,207,477 (excludes cash portion)

Revenue: $13,221,808

Operating Income: $69,762

Net Income: $1,833,660

Distributions: $4,663,109

Members' Capital: $13,156,524

Over/ Under Billings

Unbilled receivables include the net of under billings and over billings

- Under billings include the excess of revenue earned over what has been billed
- Over billings is the excess of amounts billed over revenues earned
- Under billings are included in accounts receivable on the balance sheets

Decrease in unbilled receivables of $2,910,643 from 2024 – Conversion to billed and collected

- The government began allowing partial billing in 2025
- Contracts in previous years could not be billed for long periods of time (> 1 year)
- Payment on government jobs usually occurs within 90 days after billing

Expected future trend is for billings to align closer to costs incurred

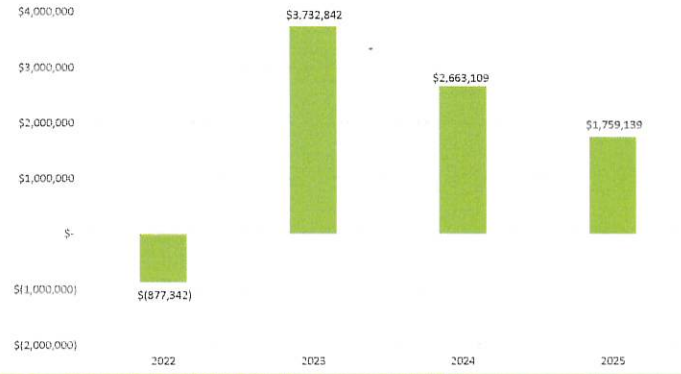


Investment Growth

- Cash portion of investment excluded from this chart. ($225,697)
- Total investment balance at 12/31/25 is $9,443,174.
- $3,000,000 in withdrawal, $2,000,000 distributed to members in 2025
- The distribution was made up of gains on the investment
- Available credit of $5,687,065 not required to be used in 2025
- January 2026 statement balance was $9,638,044.

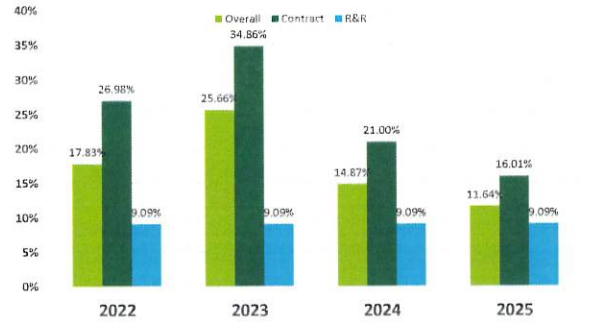


Revenue History



Net Income

Average Gross Profit on Closed Jobs



Other Comments

There is a backlog of $34,263,303 on construction projects started as of December 31, 2025. Backlog number does not include R&R.

Most jobs have an estimated margin of 22%. JSOC Microgrid job has an estimated margin of 7.33%

Estimated Backlog profit of over $5.7M

Backlog is increasing year over year as new projects are requested.







SUS UPDATE
SEPTEMBER 15, 2026

SANDHILLS UTILITY SERVICES, LLC

Financial Summary
(1 of 2



- Billed Revenue YTD: August 2026 - **$16,526,199.**
- **NET INCOME YTD: July 2026** - **$466,059**
- NET INCOME BUDGETED FOR 2026: **$4,457,513**

Engineering & Operations Update



- MILCON, OMA, & MICROGRIDS
- Signed new contract for ERCIP Camp MacKall Microgrid - **$15,925,306.76; Award Date: 3/20/26; Contract Completion Date: 2/28/28.**
- There is a backlog of **$51,820,977** on construction projects as of September 1, 2026.

NEW BUSINESS, MEETING, & OPPORTUNITIES
(1 of 3)



- Hosted with NRECA (April 14th - 16th) – Regional Defense Summit at Fort Bragg. Key Notes below:
  - Tour of SUS SCADA Center
  - Battery training for first responders
  - Cyber Security Hands-On training
  - Roughly 75 attendees from VA, NC, SC, GA, MD, and IN. Most were cooperative with military installations contracts.

NEW BUSINESS, MEETING, & OPPORTUNITIES
(2 of 3)



- Partnered with Community Electric Cooperative in Windsor, Virginia, to submit a bid on **Norfolk Naval Shipyard**.
- A separate company was formed, Sandhills Community Electric, LLC. Sandhills Utility Services – 60% and Community Electric Cooperative – 40%. Award Date in early 2028.

NEW BUSINESS, MEETING, & OPPORTUNITIES
(3 of 3)



- Received sole-source solicitation for the Energy Resilience and Conservation Investment Program (ERCIP) microgrid at Special Operations Task Force (SOTF) facilities. Projected revenue – between **$87 million and $ 107 million. Proposal submitted September 8, 2026. The government has 120 days to review.**
- Signed contract with Corvias Housing to install 6,000 meters on residential homes. Contract amount - **$2,400,000.**
- Signed new Operations and Maintenance, Army (OMA) projects since January 2026 - **$1,350,062.61**.

Company Activities



- Hired Generator Technician (2) and Powerline Technicians (2), IT Network Engineer, Construction Project Manager, and (2) Construction Quality Control Managers.
- Posting for HR/Payroll Coordinator, Senior Accountant, Project Electrical Engineer, and Generator Technician.
- Implemented ADP Workforce Now System. Combined several systems into one (e.g. Performance Evaluations, On-Boarding, Payroll, and Recruiting).

Questions





Thank You