

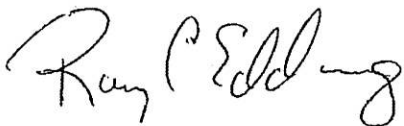
LUMBEE RIVER ELECTRIC MEMBERSHIP CORPORATION  
Minutes of the Meeting of the  
Board of Directors  
December 21, 2021

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 December 21, 2021. Directors present were Chairman Rory Eddings, Madam Vice-Chair Madie R. Locklear, Secretary Ronald G. Hammonds, Treasurer Anthony Hunt, Spencer Locklear, Elaine O. Chavis, Kirk Lowry, Roger Oxendine, Eric Locklear, Rhonda Goins Dial, Sherry Carter, Autry Lowry, and James Hardin. Also, present were Interim CEO Randall Jones, and Grady Hunt representing Hunt & Brooks, the Corporation's general counsel.

Chairman Rory Eddings called the meeting to order, and prayer was said by Mr. James Hardin.

1. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE ADOPTION OF THE AGENDA.
2. Members comments were presented by Mrs. Brenda M. Jacobs concerning director term limits and the buyout of the former CEO; (comments attached) and Ms. Sherlina Godwin concerning buyout of former CEO and Bluewave.
3. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE MINUTES OF THE REGULAR BOARD MEETING ON NOVEMBER 16, 2021 AND A SPECIAL CALLED BOARD MEETING ON NOVEMBER 22, 2021.
4. Mr. Mark Walters presented the Safety Report indicating that there was a breaking and entering and copper theft at the Raft Swamp Substation. There was an incident involving damage to a vehicle and fence post. There were two employee incidents for the month of November 2021 and 7 noted safety observations. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE SAFETY REPORT.
5. Mr. Ronald G. Hammonds reviewed the secretary report with the directors. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE SECRETARY REPORT.
6. Mr. Tony Hunt reviewed the Treasurer Report (Form 7) with the directors for the month of November 2021. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE TREASURER REPORT (FORM 7).
7. Mrs. Cynthia Stiles reviewed the November 2021 Finances and November Estate Retirements to include Inactive Retirements. A MOTION WAS DULY MADE AND RESOLVED TO APPROVE THE NOVEMBER 2021 ESTATE RETIREMENTS AND INACTIVE RETIREMENTS. It was further noted that LREMC received a check from Tarheel Electric Membership Association in the amount of \$118,332.67 that retired the balance of LREMC outstanding 2008 patronage.
8. Mr. Walter White gave an update on the LREMC Newsletter.

9. The CEO provided the Board Members updates on relevant topics to include the preliminary audit, the close out with HTC, a loan to the town of Aberdeen for the purchase of a fire truck, retirements at NCEMC, the December 27<sup>th</sup> Executive Meeting with Statewide, HB 51, lead time for materials, and Christmas dinner held for employees on December 16, 2021.
10. Mr. Rory Eddings discussed matters of interest to include the office closures in observance of Christmas and New Years and upcoming conferences, meetings and trainings for Board Members.
11. A MOTION WAS DULY MADE TO ENTER EXECUTIVE SESSION.
12. Ms. Cynthia Stiles gave an update on personnel matters to the Directors to include a salary survey on first class linemen and OSHA COVID-19 Emergency temporary Standards (ETS).
13. Matt Epps presented Resolution 2021-19, Black Branch Substation Erection Contract. A MOTION WAS DULY MADE AND RESOLVED TO AWARD THE CONTRACT TO SUMTER UTILITIES INC. for the amount in the bid tabulation.
14. Cynthia Stiles presented Resolution 2021-20, Financial Institutions Certificate of Authority. A MOTION WAS DULY MADE AND RESOLVED TO AUTHORIZE RANDALL JONES AND ELIZABETH LOCKLEAR TO SIGN THE NECESSARY FORMS IN CONNECTION WITH THE REQUISITIONING AND ACCOUNTING FOR THE DEPOSIT ACCOUNTS WITH FIRST BANK, TRUIST AND LUMBEE GUARANTY BANK.
15. A MOTION WAS DULY MADE AND RESOLVED THAT THE STAFF FIND A COMPANY TO APPRAISE THE FIBER NETWORK AND TO OBTAIN THE EVALUATION PREPARED BY COMPANY A OF THE FIBER NETWORK AND ALLOW THE ATTORNEYS TO NEGOTIATE THE CONCERNS OF LREMC IN THE PROPOSED PURCHASE AGREEMENT OF THE FIBER NETWORK AND TO UPDATE THE BOARD AT THE JANUARY 2022 MEETING.
16. A MOTION WAS DULY MADE TO LEAVE EXECUTIVE SESSION.
17. A MOTION WAS DULY MADE AND RESOLVED TO CONFIRM ALL ACTIONS TAKEN IN THE EXECUTIVE SESSION.
18. A MOTION WAS DULY MADE TO ADJOURN.



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RORY EDDINGS, CHAIRMAN



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RONALD G. HAMMONDS, SECRETARY

As member/owners of LREMC we are concerned about the actions of the Board of Directors and the future of the Coop.

Our first concern is director term limits. When this item was on the November 16th agenda the motion to discuss failed due to the lack of a second so therefore it did not go forward. That is exactly what the membership anticipated. We did not think a vote would happen, but we thought it would at least get a second so that there could be discussion among the directors. But I guess everyone wants to protect their seat.

Our second concern is in the past 4 years the membership has been saddled with the added burden of buying out 3 CEO contracts. If you don't see there is a problem you have your head in the sand. The Board of Directors has the responsibility of appointing the CEO; from the past decisions we have to question how this process is determined. Is it qualifications or politics? We are constantly reminded that the directors take all this training, so maybe Business 101 should be added.

Next, why does the employment contract not have language that outlines the expectations of the CEO. If a CEO is not fulfilling their contract then it should be spelled out that they can be terminated with no buyout. If they are doing their job, leave them alone. Don't try to micromanage them. After the first buyout, the directors should have asked legal counsel for buyout protection. I hope with the contract for the next CEO, more thought will go into this process. You say you want to help the members but we are not seeing it. Your decisions have only cost the membership more money.

If you are truly serving for the membership, communicate with us. We know there are issues that are confidential and cannot be discussed. We also know there are issues that affect the membership that can be discussed, and believe it or not we could probably contribute to the discussion. Stop treating us like the enemy; we're not. For those directors that have taken the time to talk with us you truly know that we are passionate about our effort. We as member/owners just want to be part of the Coop other than just paying our bill once a month. We are really concerned about where we will be in 12 months and also the image you are projecting. Right now it doesn't look good.

Brenda M. Jacobs

December 21, 2021

## LREMC Board Meeting Minutes:

Good evening and I extend congratulations to the newly elected board directors. I want to speak tonight regarding the buying out of CEO contracts and status of blue wave. Why were the last 3 CEOs bought out of their contract? Can any board director explain? What it tells me is there is something very dysfunctional with the board and how it conducts itself in relation to CEOs. Are board directors overly involved in CEO business? Are board directors using their influence to garner favor of the CEO causing the CEO to get caught up in the obvious division on the board? Or is it the CEO won't play into the politics of the board? What is apparent is the board is costing the members a significant amount of money paying twice or more for CEOs. How is it the board can buy out a CEO after only 3 months to the tune of approximately 900K, pay an interim CEO to the tune of approximately 200K, but can't livestream a meeting or buy microphones? Furthermore, what board directors would agree to CEO contracts such as this that do not protect the best interest of the membership? Did board directors read the contract before approving? If not, why are we paying you? How does the board plan to protect the best interest of the membership when you find a new CEO and develop a new contract? Will the board consider buyout clauses that protect the membership? look forward to seeing the role call vote for the firing of the previous CEO. More importantly, I hope to see this board of directors do a much better job in protecting the membership's interest with the next CEO. I also hope to see the board of directors hire a CEO who will remain neutral in their relationship with the board. A CEO with the courage and candor to speak frankly with the board and a board that will respect the CEO and not pull them into the politics of the board. Does this board have the moral aptitude and integrity to foster a positive relationship with the next CEO? Bluewave, a thorn in my side? Will I have the opportunity to get bluewave? Is LREMC still involved with bluewave? Do we own it? Do we rent it? Who is in charge? Can we get a specific update on bluewave at the next board meeting?

