

**ROANOKE ELECTRIC CARE TRUST, INC.
TRADING AS: OPERATION ROUND-UP® CARE TRUST**

MISSION STATEMENT

ROANOKE ELECTRIC CARE TRUST, INC., trading as OPERATION ROUND-UP® CARE TRUST, is a not-for-profit corporation dedicated to the charitable accumulations and disbursement of funds designed to enhance the economic infrastructure and job creation, promote service or charitable organizations, and meet emergency needs within the service area of Roanoke Electric Membership Corporation.

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ARTICLE 1 - OFFICERS

Sec. 1 Principal Office

The principal office of the Corporation shall be located at Highway 258 North, P.O. Box 440, Rich Square, Northampton County, NC 278869-0440.

Sec. 2 Registered Office

The registered office of the Corporation required by law to be maintained in the State of North Carolina shall be Highway 258 North, P.O. Box 440, Rich Square, Northampton County, NC 278869-0440.

Sec. 3 Other Offices

The Corporation may have offices at other places, either within or without the State of North Carolina, as the Board may from time to time determine or approve.

ARTICLE II - MEMBERS

The Corporation shall have no members.

ARTICLE III - DIRECTORS

Sec. 1 General Powers

The nonprofit activities of the Corporation shall be exercised by or under the authority of the Board or by such Executive Committees as the Board may establish under North Carolina law and pursuant to these bylaws.

Sec. 2 Number of Directors

The Corporation shall have nine directors. The initial Board of Directors shall be appointed by the directors of Roanoke Electric Membership Corporation.

Successors shall be elected by the majority vote of the members of the Corporation's Board.

Sec. 3 Term of Office

Directors shall serve three years staggered terms, except that members of the initial Board will be appointed to serve either a one, two, or three year term, with three being nominated to serve a one-year term, three being nominated to serve a two-year term, and three being nominated to serve a three-year term. Directors shall be appointed to represent nine directorate districts as provided in Section 5 of this Article of these bylaws. In the initial year of operation directors shall be elected:

- i. for one year terms to serve in districts 1, 5, and 9
- ii. for two year terms to serve in districts 2, 6, and 8
- iii. for three year terms to serve in districts 3,4, and 7

Directors, including those that have been elected to serve in the first year of operation and are not serving three years terms, shall only be allowed to serve on the board for two consecutive terms, and then they shall be required to wait for a year before they shall be eligible to serve again.

Sec. 4 Qualifications

Directors shall be appointed upon their involvement in the community, and apparent interest in community development and/or helping others. Directors may, but need not be, members of Roanoke Electric Membership Corporation. Directors shall not be a director, incumbent director, or a close relative of an incumbent director or director or employee of Roanoke Electric Membership Corporation. Close relative for the purpose of these bylaws means: a person who, by blood or in law, including step, half, foster and adoptive kin, is a spouse, child grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal person. Notwithstanding any of the provisions of these bylaws related to close relatives, no incumbent director shall become ineligible to serve as a director if he or she becomes a "close relative" as defined by these bylaws, to a director or employee or director of Roanoke Electric Membership Corporation, because of a marriage to which he or she was not a party.

Sec. 5 Directorate Districts

Roanoke Electric Membership Corporation has nine (9) defined Directorate Districts. Each of the nine (9) directorate districts, as provided in section 4.09 of Roanoke Electric Membership Corporation's bylaws, or any amendments thereto, shall be represented by one director on the Corporation's board.

Sec. 6 Standards for Acting

Directors shall be subject to the general standards for directors provided in the Nonprofit Corporation Act, as well as the conflict of interest provisions provided in N.C. Gen. Stat. § 55A-8-31, or any amendment thereto. Board members who have a direct interest in or are affiliated in any way with any organization that applies for a grant, must recuse him/herself from voting on funding for that grant.

Sec. 7 Vacancies

Any vacancy occurring on the Board of Directors, including without limitation a vacancy resulting from an increase in the number of directors shall be filled by the vote of a majority of the remaining members of the Board. If the directors remaining in the office do not constitute a quorum, the directors may fill the vacancy by the affirmative vote of a majority of the remaining directors.

Sec. 8 Removal

Directors may be removed from office with cause by a majority vote of the Board of Directors then holding office.

Sec. 9 Compensation

Board members shall receive a per diem, fixed amount as agreed upon by the Board, for attending meetings and other authorized activities, of the Board. Directors shall also be entitled to receive reimbursement or advancement of any travel and out-of-pocket expenses actually, necessarily and reasonable incurred, as a result of their duties and/or responsibilities as directors.

Sec. 10 Executive Committee

The Board may, by resolution adopted by a majority of the number of directors fixed by these bylaws, designate two or more directors to constitute an Executive Committee, which committee to the extent provided in such resolution, shall have and may exercise authority as delegated by the Board in the

management of the Corporation, except that the Executive Committee shall not have the authority to:

- i. Approve the dissolution, merger or sale, pledge or transfer of substantially all of the Corporation's assets;
- ii. elect, appoint or remove directors, or fill vacancies on the Board or any of its committees; or
- iii. adopt, amend, or repeal the Articles of Incorporation.

Section 11 - Resignation of Directors

A director may resign at any time, by communicating his or her resignation to the Board of Directors, the Board president, or to the Corporation. A resignation is effective when communicated unless the notice provides either (1) that the resignation will be effective at a later date, or (2) a subsequent event upon which the notice

ARTICLE IV - MEETINGS OF DIRECTORS

Sec. 1 Regular Meetings

Regular meetings of the Board of Directors shall be held at least quarterly, without notice of the date, time, place or purpose of the meeting.

Sec. 2 Special Meetings

Special meetings of the Board may be called by or at the request of the President of the Board or any two directors. Such meetings may be held within or without the State of North Carolina.

Sec. 3 Notice of Special Meetings

The person or persons calling a special meeting of the Board shall, at least five (5) days before the meeting, give or cause to be given notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. Any duly convened regular or special meeting may be adjourned by the Board to a later time without further notice.

Sec. 4 Waiver of Notice

Any director may waive notice of any meeting before or after the meeting. The waiver must be in writing, signed by the director entitled to the notice, and delivered to the Corporation for inclusion in the minutes or of the directors without a meeting is nevertheless Board action if written consent to the action in question is signed by all the directors.

ARTICLE V -- OFFICERS

Sec. 1 Number

The officers of the Corporation shall consist of a President, Vice-President, Secretary, and Treasurer and such other officers as the Board may from time to time elect. Any two or more offices may be held by the same person, except that the office of Secretary and President may not be held by the same person.

Sec. 2 Election and Term

The officers of the Corporation shall be elected annually by the Board. Such election may be held at any regular or special meeting of the Board. Each officer shall hold office until his/her death, resignation, retirement, removal, disqualification, or until his/her successor is elected and qualifies.

Sec. 3 Removal

Any officer or agent elected or appointed by the Board may be removed by the Board with or without cause by a majority vote of the directors then holding office.

Sec. 4 Resignation

Any officer may resign at any time communicating his/her resignation to the Corporation, orally or in writing. A resignation is effective when communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date, and the later effective date is accepted by the Corporation, the Board may fill the pending vacancy before the effective date if the Board provides that the successor does not take office until the effective date. An officer's resignation does not affect the Corporation's contract rights, if any, with the officer.

Sec. 5 President

The President shall be the principal executive officer of the Corporation and, subject to the control of the Board, shall supervise and control the management of the Corporation in accordance with these bylaws.

He/She shall, when present, preside at all meetings of the shareholders. He/she shall sign, with any other proper officer, certificates of shares of the Corporation or any deeds, mortgages, bonds, contracts, or other instruments which may be lawfully executed on behalf of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be delegated by the Board to some other officer or agent, and in general, he/she shall perform all duties as may be prescribed by the Board from time to time.

Sec. 6 Vice-President

Unless otherwise determined by the Board, the Vice-President, shall, in the absence of, disability of or request by the President, perform the duties and exercise the power of the office. In addition, he/she shall perform such other duties and have such other powers as the Board shall prescribe.

Sec. 7 Secretary

The Secretary shall keep accurate records of the acts and proceedings of all meetings of shareholders and directors. He/she shall give all notices required by law and by these bylaws. He/she shall have general charge of the corporate books and records and of the corporate seal, and he/she shall affix the corporate seal to any lawfully executed instrument requiring it. He/she shall sign such instruments as may require his/her signature, and, in general, shall perform all duties incident to the office of Secretary and such other duties as may be assigned him/her from time to time by the President or by the Board.

Sec. 8 Treasurer

The Treasurer shall have custody of all funds and securities belonging to the Corporation and shall receive, deposit and disburse the same under the direction of the Board. He/she shall keep full and accurate accounts of the finances of the Corporation in books especially provided for that purpose; and he/she shall cause a true statement of its assets and liabilities as of the close of each fiscal year and of the results of the operations and of changes in surplus of such fiscal year, all in reasonable detail, to be made and filed at the registered or principal office of the Corporation within four months after the end of such fiscal

year. The Treasurer shall, in general, perform all duties incident to his/her office and such other duties as may be assigned to him/her from time to time by the President or by the Board. The Treasurer may, with approval of the Board, delegate the physical work of bookkeeping, accounting, auditing and tax preparation to other qualified persons, but the Treasurer shall be responsible for seeing that all duties here under are performed in a competent manner.

Sec. 9 Bonds

The Board may by resolution require any or all officers, agents, and employees of the Corporation to give bond to the Corporation, with sufficient sureties, conditioned on the faithful performance of the duties of their respective offices or positions, and to comply with such other conditions as may from time to time be required by the Board.

ARTICLE VI -- CONTRACTS, LOANS, AND DEPOSITS

Sec. 1 - Contracts

The Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instruments on behalf of the Corporation, and such authority may be general or confined to specific instances.

Sec. 2 - Loans

No loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Sec. 3 - Checks and drafts

All checks, drafts, and other orders for the payment of money issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

Sec. 4 - Deposits

All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks or other depositories as the Board shall direct.

Sec. 5 - Gifts

The Board may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general or special purposes of the Corporation.

ARTICLE VII - DISBURSEMENT OF FUNDS

Sec. 1 - Authority to Disburse Funds

Except as otherwise provided by these bylaws, the Corporation's Board shall have the full and sole responsibility for the disbursement of all contributions and funds received in Accordance with these bylaws and policies as adopted by the Corporation's Board.

Sec. 2 - Guidelines for Disbursement

Guidelines for disbursements shall be developed by the Corporation's Board; however, local charity and service organizations that reside, operate, and provide benefits and/or services within Roanoke Electric Membership Corporation's service area should be given preference in making disbursements. The following are requirements that the Board must use in developing its guidelines and making disbursements:

- i. funds shall be allocated first to those projects that serve a broad range of individuals and enhance the communities served by Roanoke Electric Membership Corporation;
- ii. the board shall try to ensure that funds are distributed throughout the service area of Roanoke Electric Membership Corporation, rather than in one or more geographical areas;
- iii. funds may be used to enhance the economic infrastructure and to bring financial benefits and jobs to the communities and area served by Roanoke Electric Membership Corporation; and
- iv. funds may only be used for purposes which are community-oriented, economic development, educational, and environmental. These categories are defined explicitly in Appendix A.
- v. Contributions to organizations will generally be made only to non-profits that have been granted tax-exempt status under Internal Revenue

Code Section 501(c)(3). Generally, contributions to organizations will not be made for:

1. Payment of electric bills
2. Lobbying, political organizations or campaigns
3. Veteran, fraternal and labor organizations
4. Fund-raising dinners, raffles and other events
5. Capital fund campaigns
6. National fund drives
7. Advertising
8. General operating expenses

Sec. 3 - Use of Funds and Trust Costs

One hundred percent (100%) of the funds donated by members of Roanoke Electric Membership Corporation, or from other sources to the Corporation shall be disbursed to local charities, or organizations within 24 months of the commencement of the Corporation's operation; during the initial 24 month period, any administrative expenses of the Corporation shall be paid by Roanoke Electric Membership Corporation. At the end of the initial 24 month period the Corporation shall be self-supporting. The Corporation shall provide Roanoke Electric Membership Corporation with quarterly reports concerning the disbursements, expenses, and revenue of the Corporation. Included with the report shall be a list of all organizations that have received a donation from the Corporation in the quarter and the amount of each gift. Annual financial statements of the Corporation shall be presented to the members of Roanoke Electric Membership Corporation at their annual member meeting.

Sec. 4 - Accumulation of Funds

Roanoke Electric Membership Corporation shall transfer funds donated by its members and collected by it for the benefit of the Corporation on a regular basis, but no less than quarterly. The Corporation may also solicit and accept contributions from other sources as deemed appropriate by the Board.

Sec. 5 - Emergency Expenditure

The President and Secretary of the Corporation, through joint action, may from time to time make expenditures on an emergency basis, in accordance with these bylaws and policies adopted by the Board, in an amount not to exceed \$1,000,000, to any person, family, group or organization. Any emergency

expenditure made must be fully disclosed by the President and Secretary at the next regularly called Board meeting.

Sec. 6 - Amount of Expenditures

Unless otherwise provided by these bylaws and in keeping with the Corporation's purpose, the Board may make annual expenditures of the Corporation's funds by a majority vote of Board members present at a meeting and constituting a quorum according to the following rules:

a. no more than \$5,000 in a calendar to any group, organization, or charity. If the amount received is \$5,000 in one quarter, then the grant recipient cannot apply for a grant until the following calendar year. If the grantee receives less than \$5,000 in any one quarter, that grantee may apply in that same calendar for up to \$5,000 less the amount received in that same calendar year. For example, If a grantee receives a grant for \$3,500 in January 2007, then the grantee may apply for up to \$1,500 more in that same calendar year during any of the remaining 3 quarters. The board can reserve itself the right to contribute at a level higher than the aforementioned amount due to special circumstances.

Sec. 7 - Independent Action

The Corporation is an independent entity and shall not rely upon the Board of Roanoke Electric Membership Corporation, or any other entity, in making decisions regarding the expenditure of its funds. However, the Board may request the advice of Roanoke Electric Membership Corporation's Board as is desired in the making of its decisions.

ARTICLE VIII - INDEMNIFICATION

Any person who at any time serves or has served as a director or officer of the Corporation, shall have a right to be indemnified by the Corporation to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him/her in connection with any threatened, pending, or completed civil, criminal, administrative, investigative, or arbitrative action, suit or proceeding (and any appeal therein), whether or not brought by or on behalf of the Corporation, seeking to hold him/her liable by reason of the fact that he/she is or was acting in such capacity, and (b) reasonable payments made by him/her in satisfaction of any judgment, money decree, fine (including an excise tax assessed with respect to an employee benefit plan), penalty, or settlement for which he/she may have become liable in any such action, suite or proceeding.

The Board of the Corporation shall take all such action as may be necessary and appropriate to authorize the corporation to pay the indemnification required by this bylaw, including, without limitation, making a determination that indemnification is permissible in the circumstances and a good faith evaluation of the manner in which the claimant for indemnity acted and of the reasonable amount of indemnity due him/her. The Board may appoint a committee or special counsel to make such determination and evaluation.

Any person who at any time after the adoption of this bylaw serves or has served in the aforesaid capacity for or on behalf of the Corporation shall be deemed to be doing or to have done so in reliance upon, and as consideration for, the right of indemnification provided herein. Such right shall inure to the benefit of the legal representatives of any such person and shall not be exclusive of any other rights to which such person may be entitled apart from the provision of this bylaw.

ARTICLE IX - GENERAL PROVISIONS

Sec. 1 - Political Contributions

No funds of the Corporation shall in any fashion be used to support any candidate for political office or for any political purpose.

Sec. 2 - Seal

The corporate seal of the Corporation shall consist of the name of the Corporation and in the center of which is inscribed SEAL, and such seal, as impressed on the margin hereof, is hereby adopted as the corporate seal of the Corporation.

Sec. 3 - Fiscal Year

The fiscal year shall be the Calendar year.

Sec. 4 - Amendments

Except as otherwise provided herein, these bylaws may be amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of

the directors, then holding office at any regular or special meeting of the Board, after five days' written notice of the meeting. The notice provided shall state that the purpose, or one of the purposes, of the meeting is to consider a proposed amendment to the bylaws. A copy of the amendment, or summary of the same must be included with the meeting notice.

Sec. 5 - Definitions

Unless the context otherwise requires, terms used in these bylaws shall have the meanings assigned to them in the North Carolina Nonprofit Corporation Act to the extent defined therein.

APPENDIX A

I. Major Funding Categories [\(refer to Article VII, Sec. 6, subcategory iv\)](#)