

SECTION 4.05. Directorate Districts. The five Directorate Districts are as follows:

(1) District No. 1 – Cherokee County, North Carolina

(2) District No. 2 – Clay County, North Carolina

(3) District No. 3 – Fannin County, Georgia

(4) District No. 4 – Towns County, Georgia

(5) District No. 5 – Union County, Georgia

SECTION 4.06. **Review of Directorate Districts.** Every year, the Board, prior to the first date on which a Committee on Nominations meeting may be scheduled pursuant to these Bylaws to be held, shall review said Directorate Districts. If the Board determines that the number of directors should be increased or reduced so as to correct any substantially inequitable factors regarding the number of members in the Directorate Districts, the Board shall determine any increase or decrease in the number of directors necessary to maintain equitable representation for each Directorate District. Upon such determination the Board shall cause the Bylaw changes needed to give effect to its determination to be presented to the members for approval at the next annual meeting of members following such determination. Adjustments to the number of directors representing any Directorate District shall be effective at the next annual meeting of members following the approval of any such Bylaws by the members. Written notice of such any such change will be provided to the members in each affected Directorate District not less than ten (10) days prior to the date on which the Committee on Nominations for the applicable meeting of members shall first convene.

PROVIDED, no such amendments shall become effective so as to compel the vacancy of any director's office prior to the time such director's term would normally expire, unless he consents thereto in writing.

SECTION 4.07. Tenure. Directors shall be so nominated and elected that one director from or with respect to ~~Towns County, Georgia, Fannin County, Georgia and Union County, Georgia, Districts 3, 4, and 5~~ shall be elected for three-year terms at an annual member meeting; one director from or with respect to ~~Clay County, North Carolina; Cherokee County, North Carolina and Union County, Georgia~~ District 1, District 2, and District 5 shall be elected for three-year terms at the next succeeding annual member meeting; and one director from or with respect to ~~Clay County, North Carolina; Towns County, Georgia and Union County, Georgia, District 2, District 4, and District 5~~ shall be elected for three-year terms at the next succeeding annual member meeting, and so forth; PROVIDED, that the terms of no two directors from the same Directorate District shall coincide. Upon their election, directors shall, subject to the provisions of these ~~By-laws~~ bylaws with respect to the removal of directors, serve until the annual member 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 member meeting ~~of the members~~ duly fixed and called pursuant to these ~~By-laws~~ bylaws, such election may be held at an adjournment of such meeting or at a subsequently-held special or the next annual member meeting ~~of the members~~. Failure of an election for a given year shall allow the incumbents whose directorships would have been voted on to hold over only until the next annual member meeting at which a quorum is present. Notwithstanding anything else contained in Section ~~4.04, 4.07~~, directors shall be entitled to remain in their elected position for no more than three consecutive three year terms from the time of their respective election at a meeting of the members. In the event a director is appointed to fill a ~~vaney~~ vacancy on the Board and to serve for the remainder of the unexpired term created by the death, resignation or removal of ~~another~~ another director, the appointed director may serve on the Board for three more consecutive three year terms, if duly qualified and so elected by the membership.

~~SECTION 4.05. Directorate Districts. The territory served by the Cooperative shall be divided into five Directorate Districts, each District consisting of one of the counties which the Cooperative serves. Except as provided in Section 4.02, the membership of the Board shall be apportioned as follows: One (1) member shall be a resident of Cherokee County, North Carolina; two (2) members shall be residents of Clay County, North Carolina; and one (1) member shall be a resident of Fannin County, Georgia; two (2) members shall be residents of Towns County, Georgia; and three (3) members shall be residents of Union County, Georgia.~~

~~SECTION 4.06. Nominations.~~ 4.08. Nominations. It shall be the duty of the Board to appoint a Committee on Nominations, consisting of not less than five (5) nor more than fifteen (15) members of the Cooperative who are not existing Cooperative employees, agents, officers, directors or known candidates for director, who are not close relatives (as hereinafter defined) or members of the same household of such a person, and who are so selected as to give equitable representation on the Committee to the geographic area served by the Cooperative. The Committee shall be appointed at the May meeting of the Board. The Committee shall meet and prepare a list of nominations for directors to be elected, listing separately the nominee(s) for each Directorate District from or with respect to which a director must, pursuant to this Article, be elected at the meeting. A majority of the Committee must be present to act and the affirmative votes of a majority of the Committee members voting shall be required to elect a person as a nominee. The Committee shall post the list at the principal office of the Cooperative and give a true copy of the list of nominees to the Manager of the Cooperative, or such person as he may designate, on or before the last Friday of June. The Committee may include as many nominees for any director to be elected from or with respect to any Directorate District as it deems desirable. Any one quarter of one percentum (1/4) or more members of the Cooperative, acting together, may make additional nominations in writing over their signatures, listing their nominee(s) in like manner. Such nominations shall be filed with the manager of the Cooperative or such person as he may designate, on or before the third Monday of July. The Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall mail to the members with the notice of the meeting, or separately, but at least five (5) days prior to the date of the meeting a statement of the names and address of all nominees for each Directorate District from or with respect to which one or more directors must be elected, showing clearly those nominated by the Committee and those nominated by petition, if any. Except as provided in Section 4.08, there shall be no nominations from the floor, except that if one or more persons nominated from a particular Directorate District by the Nominating Committee or by petition are or become ineligible, incapable or unwilling to be a director and such fact does not occur or become known until after the deadline for nominating by petition has passed, persons may be nominated from the floor for director from such District; PROVIDED, if because of such a fact there is no nominee whatever by either the Nominating Committee or by petition, the Board shall by appointment fill any vacancy thereby resulting, the person so appointed shall serve for the first year of the term, and such vacancy shall be filled for the remainder of the term by the members, as provided otherwise in these bylaws, at the next succeeding annual member meeting. Notwithstanding the provisions contained in this Section, 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.

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SECTION

4.07:4.09.

**Voting For Directors; Validity of Board Action.** In the election of directors, each member shall be entitled to cast the number of votes, including mail ballots, (but not cumulatively) which corresponds to the total number of directors to be elected from the Directorate District in which such member resides, but no member may vote for more nominees than the number of directors that are to be elected from or with respect to any particular Directorate District~~-. and no member may vote for any nominee for any Directorate District position except for a Directorate District position in the Directorate District in which such member resides..~~ 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, failure to comply with any of such provisions shall not affect in any manner whatsoever the validity of any action taken by the Board after the election of directors.

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