

**BYLAWS
OF
WEST CAROLINA RURAL TELEPHONE COOPERATIVE, INC.**

(Original Bylaws Approved April 21, 1952
Amended - March 27, 1956, August 4, 1958,
August 26, 1974, August 21, 1993,
April 19, 2000, March 29, 2007
and January 27, 2011

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**ARTICLE I
MEMBERSHIP**

SECTION 1.1. Eligibility. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of West Carolina Rural Telephone Cooperative, Inc. (hereinafter called the “Cooperative”), upon receipt of communications service(s) (hereinafter referred to simply as “service(s)”) delivered to the customer premise over facilities provided by the Cooperative or any wholly owned subsidiary of the Cooperative (hereinafter called “subsidiary”). “Communications Service” means basic local telephone (dial tone) or similar voice or voice replacement service, video service, or any other information service utilizing wireline or wireless technology. Membership is automatic and instantaneous upon receipt of services; however, each member shall:

- (1) Agree to purchase services from the Cooperative or its subsidiary in accordance with established tariffs or rates, as well as pay other charges for services that the member uses and the Cooperative is obligated by law or contract to collect;
- (2) Agree to comply with, and be bound by, the Charter of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board; and
- (3) Pay any membership fees as hereinafter may be specified. The status of all memberships shall be as reflected upon the books of the Cooperative and no membership certificates shall be issued. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except on the books of the Cooperative and as provided in these Bylaws.

SECTION 1.2. Definition and Classifications.

- (a) Membership in the Cooperative is effected by services being provided from the Cooperative or its subsidiary.
- (b) Exchange and interexchange carriers who participate with the Cooperative in the

provision of telecommunications and information services to members are neither members nor patrons by virtue of division of revenue contracts.

- (c) Telecommunications carriers who only purchase wholesale service(s) and/or transport services(s) are neither members nor patrons.
- (d) Each time sharing or interval ownership premise is considered as a single corporate member. The owner of seasonal, recreational and short-interval rental properties will be deemed to hold the membership.

All memberships in the Cooperative are extended only to individual persons (natural or corporate) who meet the requirements of 1.1. Memberships formerly issued to husbands and wives, previously referred to as joint memberships, will be allowed to continue. However, from the date of this current edition of Bylaws, no new joint memberships will be established. Thus, the term "member" as used in these Bylaws shall refer to an individual but can, on a grandfathered basis, be deemed to include a husband and wife still holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

- (1) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (2) The vote of either separately or both jointly shall constitute one joint vote;
- (3) A waiver of notice signed by either or both shall constitute a joint waiver;
- (4) Notice to either shall constitute notice to both;
- (5) Expulsion of either shall terminate the joint membership;
- (6) Withdrawal of either shall terminate the joint membership;
- (7) Either, but not both, may be elected or appointed as an officer or Board member if individually qualified; and
- (8) Upon the death of either spouse who is a party to the joint membership, such membership shall be converted to an individual membership. However, the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 1.3. Membership Fees. The membership fee, if any, shall be determined by the Board of Directors.

SECTION 1.4. Purchase of Services. Each person who applies for service shall, as soon as

service is available, take service from the Cooperative or its subsidiary. The member shall pay therefor monthly at rates in accordance with either established tariffs or rates as fixed by the Board and approved by any appropriate state regulatory body (if required), or, for the services rendered by other carriers, at the rates which the Cooperative or its subsidiary is obligated to bill and collect by contractual arrangements with other carriers. It is expressly understood that amounts received by the Cooperative for all services in excess of costs are furnished by members, from the moment of receipt, as capital, and each member shall be credited with the capital so furnished as provided in these Bylaws. However, the Cooperative or its subsidiary is not obligated to furnish such credits for services which are not billed and collected by the Cooperative or its subsidiary, even when such services are partially rendered over facilities of the Cooperative or its subsidiary. Each member shall pay the above amounts owed by him to the Cooperative or its subsidiary as and when the same shall become due and payable.

SECTION 1.5. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than 2/3 of all the members of the Board, expel any member who fails to comply with any of the provisions of the Charter of Incorporation, Bylaws, or rules and regulations adopted by the Board, but only if such member shall have been given notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board.
- (b) Upon the withdrawal, death, cessation of service, or expulsion of a member, the membership of such member shall thereupon terminate and will be so recorded on the books of the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative or its subsidiary, nor do unpaid bills release a member from his obligations under these Bylaws or rules and regulations approved by the Board. PROVIDED, however, that in the event that the deceased member is survived by a spouse, the membership of the deceased member shall be transferred automatically to the surviving spouse, if the spouse continues to receive services from the Cooperative or its subsidiary. The surviving spouse may be required to comply with the provisions of Section 1.1 of these Bylaws.
- (c) In the case of a withdrawal or termination of membership in any manner, the

Cooperative shall repay to the member or the legal representative of a deceased member the amount of any membership fee credited to the member's account; provided, however, that the Cooperative shall deduct from the amount of the membership fee, the amount of any debts owed by the member to the Cooperative or its subsidiary.

ARTICLE II
RIGHTS AND LIABILITIES OF THE COOPERATIVE AND THE MEMBERS

SECTION 2.1. Service Obligations.

- (a) The Cooperative will use reasonable diligence to furnish adequate and dependable services, but it cannot and does not guarantee uninterrupted services nor will it always be able to provide every service desired by each individual member.
- (b) The members pledge to purchase all services from the Cooperative to the extent that its services are able to meet the members' needs and are competitively priced.

SECTION 2.2. Cooperation of the Members in the Providing of Services. The cooperation of members of the Cooperative is imperative to the successful, efficient and economical operation of the Cooperative. Members who are receiving or who are requesting service shall be deemed to have consented to the reasonable use of their real property to construct, operate, maintain, replace or enlarge telephone and/or communications lines, overhead or underground, including all conduit, cables, wires, surface testing terminals, markers and other appurtenances under, through, across, and upon any real property or interest therein owned or leased or controlled by said member for the furnishing of telephone or communication service to said member, or any other member, at no cost to the Cooperative. When requested by the Cooperative, the member does agree to execute any easement or right-of-way contract on a form to be furnished by the Cooperative.

SECTION 2.3. Nonliability for Debts of the Cooperative. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

SECTION 2.4. Property Interest of Members. Upon dissolution, after:

- (1) All debts and liabilities of the Cooperative shall have been paid;
- (2) All capital furnished through patronage shall be retired as provided in these Bylaws;

and

- (3) All membership fees shall have been repaid, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member and former member bears to the total patronage of all such members and such former members on the date of dissolution unless otherwise provided by law.

ARTICLE III **MEETINGS OF MEMBERS**

SECTION 3.1. Annual Meeting. The annual meeting of the members shall be held at a date and place within a county served by the Cooperative, as selected by the Board and which shall be designated in the Notice of the Meeting for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold an annual meeting shall not work a forfeiture of dissolution of the Cooperative nor affect the validity of any corporate action.

SECTION 3.2. Special Meetings. Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three (3) Board members, by the President, or by not less than ten percent (10%) of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3.3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. Date, time, and place of the annual meeting shall be posted at the Cooperative's office(s) forty-five (45) days prior to the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the member at the address appearing on the records of the Cooperative, with postage

thereon prepaid. The incidental or unintended failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 3.4. Postponement of a Meeting of the Members. In the event of inclement weather or the occurrence of a catastrophic event, the meeting of the members may be postponed by the President. Notice of the adjourned meeting shall be given by the President in any media of general circulation or broadcast serving the area.

SECTION 3.5. Quorum. Business may not be transacted at any meeting of the members unless, there are present in person at least fifty (50) members or one-quarter of one percent (1/4 of 1%) of the then total members of the Cooperative, whichever is greater, except that, 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: provided that, the Secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivering notice thereof as provided in Section 3.3. At all meetings of the members, whether a quorum be present or not, the Secretary shall affix to the meeting minutes, or incorporate therein by reference, a list of those members who registered as present in person.

SECTION 3.6. Voting. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the members. All issues with respect to voting shall be governed according to the latest edition of Robert's Rules of Order as revised and used by the Cooperative unless otherwise specified by law or the Charter of Incorporation. Voting by members other than members who are natural persons shall be allowed upon presentation to the Cooperative, prior to each member meeting, satisfactory evidence entitling the person presenting the same to vote. All questions shall be decided by a vote of a majority of the members voting thereon in person or by proxy except as otherwise provided by law, the Charter of Incorporation, or these Bylaws. In the election of directors, a voice vote may be permitted if there is no competition for the seat or seats to be filled.

SECTION 3.7. Proxies. At any meeting of the members or any adjournment thereof, any member, including members who are not natural persons, may vote by proxy, but only if such proxy:

- (1) Is registered with the Secretary or his duly designated representative with the

Cooperative at its principal office during office hours on or before the third business day next preceding the date of the meeting, or any adjournment thereof, as the case may be;

- (2) Is executed by the member in writing and designates the nameholder thereof (and, if the member so desires an alternate name holder thereof and/or conferring upon the holder(s) full power of substitution), which holder(s) (or substitute(s), if any) shall be the member's spouse, an adult close relative (18 years or older) residing in the same household as the member, or another member who is a natural person (except that the natural person holding the proxy of a member who is not a natural person need not himself be a member); and
- (3) Specifies the particular meeting and/or any adjournment thereof at which it is to be vested and is located not more than sixty (60) days prior to the date of such meeting or any adjournment thereof: provided, that any mailed proxy not otherwise dated shall be deemed dated as postmarked if the postmark is satisfactorily evidenced; and provided further, that any proxy valid at any meeting shall be valid at any adjournment thereof unless the proxy itself specifies otherwise or is subsequently revoked by another proxy or by the presence in person of the member at such adjournment. A proxy may be unlimited as to the matters on which it may be voted or it may be restricted; a proxy containing no restriction shall be deemed to be unlimited. In the event a member executes two or more proxies for the same meeting or for any adjournment thereof, the most recently dated proxy shall revoke all others; if such proxies carry the same date and are held by different persons, none of them will be valid or recognized. The presence in person of a member at a meeting or any adjournment thereof shall revoke any proxy theretofore executed by him for such meeting or for such adjournment thereof, as the case may be, and he shall be entitled to vote in the same manner and with the same effect as if he had not executed a proxy. A member may give his proxy only to another member or to an adult relative living in the same home with such member, and no person may vote more than one proxy at any meeting except where such person is exercising a proxy in connection with a proposed amendment to the corporate charter. Notwithstanding the foregoing provisions of this Section, whenever a member is absent from a meeting of the members but whose spouse attends such meeting, such spouse may exercise and vote to the same extent that such member could vote if present in person, unless such

member has given a written proxy to some other person eligible to vote such proxy.

SECTION 3.8. Order of Business. The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be conducted under policies established by the Board and under an agenda essentially as follows, except as otherwise determined by the members at such meeting:

- (1) Report on the number of members present in person in order to determine the existence of a quorum.
- (2) Reading of the Notice of the Meeting and proof of the timely publication or mailing thereof, or the waiver or waivers of Notice of Meeting, as the case may be.
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon unless minutes presented for approval shall have been furnished by a timely mailing or available at the meeting to all active members present. In such case, the President may entertain a motion from the floor to dispense with the reading of such minutes.
- (4) Election of Board members.
- (5) Presentation and consideration of reports.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

Notwithstanding the foregoing, the Board or the members themselves may, from time to time, establish a different order of business for the purpose of assuring the earlier consideration of an 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 **BOARD MEMBERS**

SECTION 4.1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of nine (9) members which shall exercise all of the powers of the Cooperative except such as are by law, the Charter of Incorporation, or these Bylaws conferred upon or reserved to the members.

SECTION 4.2. Election Process and Tenure of Office. Directors shall be elected at each annual meeting for the Board seat(s) to be filled. They shall be elected by and from the members to serve a three (3) year term, or until their successors shall have been elected and shall have qualified, and that the terms of the directors shall be staggered to insure continuity. If an election of directors shall not be held on the day designated for the annual meeting or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing directors at a reasonable time thereafter. Directors shall be nominated and elected as provided hereinafter.

The Cooperative is divided into nine (9) geographic service areas and from each shall be elected one director to the Board. Members shall be eligible to vote for every director.

The geographic service areas are set forth as more precisely defined upon a map approved by the Board of Directors and on file in the offices of the Cooperative. Such geographic service areas as set forth as follows:

- (1) Starr Area,
- (2) Iva Area,
- (3) Donalds Area,
- (4) Due West Area,
- (5) Antreville-Lowndesville Area,
- (6) Calhoun Falls Area,
- (7) Abbeville Area,
- (8) North McCormick Area, and
- (9) South McCormick Area.”

The order of elections of Board members shall be as follows:

- (1) Areas two (2), four (4) and seven (7);
- (2) Areas one (1), six (6) and nine (9);
- (3) Areas three (3), five (5) and eight (8),

in order of successions previously adopted and followed.

SECTION 4.3. Qualifications. Any member shall be eligible to be nominated, elected and remain a director of the Cooperative who:

- (1) Resides in the geographic area from which he or she is elected, and has resided there for more than two hundred and forty (240) days during the last twelve (12) month period. However, residency is not a requirement for members who are not natural persons.

- (2) Is NOT an employee or former employee of the Cooperative or in any way financially interested in a competing enterprise or a business engaged in selling telecommunications or information services or communications supplies or maintaining telecommunications or information facilities. However, the Board may grant exceptions for "de minimus" competing enterprise.
- (3) Is NOT closely related to an incumbent director or an employee or former employee of the Cooperative. As used here, "closely related" means a person who is related to the principal person, by consanguinity or affinity, such as a spouse, former spouse, child, step-child, grandparent, parent, brother, step-brother, sister, or step-sister. However, no incumbent director shall lose eligibility to remain a director or to be reelected as a director if he becomes a close relative of another incumbent director or of a Cooperative employee, or former employee, because of a marriage to which he was not a party; neither shall an employee lose eligibility to continue in the employment of the Cooperative if he or she becomes a close relative of a director because of a marriage to which he or she was not a party. The term former employee in this Section shall apply only for a period of five (5) years, which begins on the date of termination of employment.
- (4) No member shall serve simultaneously as a director for his geographic area and as a designated representative of a member who is not a natural person from a different geographic area.

To remain a director, the incumbent must attend two-thirds (2/3) or more of the regular meetings during each twelve-month (12) period beginning with the month of his/her election. Upon establishment of the fact that a director or nominee is in violation of any of the provisions of this Section, that office or nomination shall be deemed vacant unless waived by the Board.

Nothing in this Section shall affect in any manner whatsoever, the validity of any action taken at any meetings of the Board.

SECTION 4.4. Nominations. It shall be the duty of the Board to appoint, not less than thirty (30) days nor more than ninety (90) days before the date of a meeting of the members at which Board members are to be elected, a committee on nominations consisting of not less than three (3) nor more than nine (9) members who shall be selected from different geographic areas so as to ensure equitable representation. At least one (1) member of the committee shall be selected from each geographic area where a director is to be elected. No member of the Board, close relative of a Board

member or employee may serve on such committee. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least thirty (30) days before the meeting, a list of nominations for Board members which shall include as many nominees for each Board position as the committee deems desirable. Any fifteen (15) or more members acting together may make other nominations by petition and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted at the principal office of the Cooperative. The Secretary shall be responsible for mailing with a Notice of the Meeting, or separately, but at least ten (10) days before the date of the meeting, a statement of the number of Board members to be elected and the names and addresses of the candidates nominated by the committee on nominations and any by petition. Nominations made by petition, if any, not received at least thirty (30) days before the meeting date shall be treated as nominations from the floor. At the direction of the President, the Attorney for the Cooperative or another representative shall conduct the elections. A call for additional nominations from the floor shall be made and nominations shall not be closed until a reasonable time has passed during which no additional nomination has been made. No member may nominate more than one candidate.

SECTION 4.5. Election of Directors. Each member of the Cooperative present in person at the meeting, or present through proxy, shall be entitled to vote for one (1) candidate from each district from which a director is to be elected or on any issue before the meeting. The candidate from each district from which a director is to be elected receiving the majority of votes cast for that office at such meeting shall be declared elected as a director effective immediately following the annual meeting. Failure of an election for a given year shall allow the incumbent directors whose directorships would have been voted on to hold over only until the next member meeting at which a quorum is present.

SECTION 4.6. Suspension or Removal of Board Member by Members and Resignations.

(1) Suspension. A temporary suspension of a director for cause may occur upon the affirmative vote of at least two-thirds of the members of the board. The suspension must be enforced until the next annual or special meeting. "Cause" for suspension of a director means fraudulent or dishonest acts, gross abuse of authority in the discharge of duties or failure to adhere to such obligations, duties or qualifications as the bylaws may prescribe. Cause may not be found unless written notice of the specific charges and opportunity to meet and refute such charges has been provided to the director.

- (2) Removal of Board Member by Members. Any member may bring charges, relating to the duties and responsibilities of his position, against a Board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members, or two hundred (200) members, whichever is the greater, may request the removal of such Board member by reason thereof. Such Board member shall be informed in writing of the charges at least ten (10) 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 to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members. No director shall be removed from office unless by a vote of two-thirds (2/3) of the members present. 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 as set forth in Article IV Section 4.4.
- (3) Resignation. A director may resign at any time by written notice delivered to the Board of Directors, the President or Secretary of the Cooperative. A resignation is effective when the notice is delivered unless the notice specifies a future date. The pending vacancy may be filled before the effective date but the successor shall not take office until the effective date.

SECTION 4.7. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Board members by the members as set forth in Article IV Section 4.6, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term, provided, however, that in the event the vacancy is not filled by the Board within ninety (90) days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members without compliance with the foregoing provisions in respect to nominations. However, any successor, whether chosen by the Board or the members, must reside in the same district as the vacant directorship and have the same qualifications for office as set forth in Article IV Section 4.3.

SECTION 4.8. Compensation. Board members shall, as determined by resolution of the Board, receive a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments

when authorized by the Board. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. Board members, who elect to participate, may be extended various forms of liability and accident insurance as well as participation in benefits provided to employees except for benefits based on salary. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the Board. For purpose of this section, close relative includes grandparents, parents, spouse, former spouse, children, step-children, grandchildren, brothers, step-brothers, sisters, step-sisters, aunts, uncles, nephews and nieces, by blood, by marriage or by adoption, and spouses of any of the foregoing.

SECTION 4.9. Rules, Regulations, Rate Schedules and Contracts. The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Charter of Incorporation or Bylaws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative or, cause such to be submitted for any appropriate governmental regulatory approval. Further, the Board of Directors may constitute itself into committees for the purpose of studying and making recommendations to the full Board in the course of its decisional processes.

SECTION 4.10. Accounting Systems and Reports. The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and conditions, 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 financial 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 succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

ARTICLE V
MEETINGS OF THE BOARD

SECTION 5.1. Regular Meetings. A regular meeting of the Board shall be held without notice, immediately after the annual meeting of the members. A regular meeting of the Board shall also be held monthly at such time and place as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof. A minimum of at least ten (10) regular meetings shall be held each year. Unless specifically prohibited by law, meetings, regular or special, may be conducted through the use of conference telephone or other communications equipment by means of which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the persons so participating.

SECTION 5.2. Special Meetings. Special meetings of the Board may be called by the President or by any three (3) Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or Board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 5.3. Notice of Board Meetings. Written notice of the time, place (or telecommunications conference event) and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, or at the direction of the Secretary, or upon default in duty by the Secretary, by the President or one of the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the Board member at his address as it appears on the records of the Cooperative, with first-class postage thereon prepaid, at least three (3) days before the date set for the meeting.

SECTION 5.4. Waiver of Notice. A member of the Board may waive notice to any meeting of the Board by signing a written waiver of notice. Further, the attendance of a member of the Board at a meeting shall constitute waiver of notice of such meeting, except where such Board member attends a meeting with the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 5.5. Quorum. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may

adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board members of the time and place of such adjourned meeting. The act of a majority of the Board members present and voting at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws or by the parliamentary procedure or special rules adopted by the Cooperative. Board members may not vote by proxy at regular or special Board meetings.

SECTION 5.6. Unanimous Consent in Writing. Unless otherwise prohibited by law, Board actions may be taken without a meeting and without a vote if unanimous consent of the Board is obtained in writing setting forth the action taken in detail and the document is signed by all Board members entitled to vote.

ARTICLE VI **OFFICERS**

SECTION 6.1. Number and Titles. The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.2. Election and Term of Office. The officers shall be elected by ballot, if there is a contest, and if not, by voice vote or any other method designated by the person presiding. They shall be elected annually by and from the Board, at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members, or until a successor shall have been elected and shall have qualified. Except as otherwise provided in these Bylaws, a vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 6.3. President. The President shall:

- (1) Be the principal executive officer of the corporation and unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;
- (2) Sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board 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

- (3) In general perform all duties incident to the Office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 6.4. 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. The Vice President shall also perform such other duties as from time to time may be assigned to him by the Board.

SECTION 6.5. Secretary. The Secretary shall be responsible for:

- (1) Keeping the minutes of the meetings of the members and of the Board in books prepared for that purpose;
- (2) Seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (3) The safekeeping of the corporate books and records and the Seal of the Cooperative and affixing the Seal of the Cooperative to 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;
- (4) Keeping a register of the names and post office addresses of all members;
- (5) Keeping on file at all times a complete copy of the Charter of Incorporation and Bylaws of the Cooperative containing all amendments thereto and at the expense of the Cooperative, furnishing a copy of these Bylaws and of all amendments thereto to each member; and
- (6) In general performing 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.

SECTION 6.6. Treasurer. The Treasurer shall be responsible for:

- (1) Custody of all funds and securities of the Cooperative;
- (2) The receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in

such bank or banks as shall be selected in accordance with the provisions of these Bylaws; provided, however, that the Treasurer shall have authority, with the approval of the Board, to delegate to the general manager the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this Section; and

- (3) The general performance of all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him by the Board; provided, however, with respect to the duties and responsibilities of the Treasurer, the Cooperative shall indemnify and hold the Treasurer harmless against any and all losses, claims and/or damages which may be asserted against the Treasurer, in his official capacity, unless such claim is a result of an act personally committed or omitted by the Treasurer resulting in loss to the Cooperative.

SECTION 6.7. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the Board may be removed by the Board for cause related to position whenever in its judgment the best interests of the Cooperative will be served thereby. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting 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 person or persons bringing the charges against him shall have the same opportunity.

SECTION 6.8. General Manager. The Board shall appoint a general manager, who may be, but who shall not be required to be, a member of the Cooperative. The general manager shall perform such duties as the Board may from time to time require and shall have authority as the Board may from time to time vest in him.

SECTION 6.9. Bonds. The Board shall require that the Treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to be bonded or insured in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded or insured in such amount and with such surety as it shall determine. The costs of all such bonds or insurance shall be borne by the Cooperative.

SECTION 6.10. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed or approved by the Board, subject to the provisions of these Bylaws with respect to compensation for close relatives of directors.

SECTION 6.11. 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. Such reports shall set forth the conditions of the Cooperative at the close of such fiscal year.

ARTICLE VII
INDEMNIFICATION OF OFFICERS, BOARD MEMBERS, EMPLOYEES AND
AGENTS

SECTION 7.1. Scope of Indemnification. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of the Cooperative) by reason of the fact that such person is or was a Board member, officer, employee or agent of the Cooperative or who is or was serving at the request of the Cooperative as a Board member, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) adjustments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to all criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon pleas of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding had reasonable cause to believe that the conduct of such person was unlawful.

SECTION 7.2. Indemnification for Good Faith Action. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a Board member, officer, employee or agent of the

Cooperative, or is, or was, serving at the request of the Cooperative as a Board member, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith, and in a manner such person reasonably believed to be in or not opposed to the best interests of the Cooperative. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless, and only to the event that the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

SECTION 7.3. Cost of Defense Indemnified. To the extent that a Board member, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 7.1 and 7.2, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

SECTION 7.4. Amount of Indemnification. Any indemnification under Sections 7.1 and 7.2 (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the Board member, officer, employee or agent is proper in the circumstances because such persons met the applicable standard of conduct set forth in Sections 7.1 and 7.2. Such determination shall be made:

- (1) By the Board by a majority vote of a quorum consisting of Board members who were not parties to such action, suit or proceedings; or
- (2) If such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested Board members so directs, by independent legal counsel in a written opinion; or
- (3) By the members.

SECTION 7.5. Expenses Advanced. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suite or proceedings, as authorized by the Board in the specific case, upon receipt of a firm commitment by or on behalf of the Board member, officer, employee or agent to repay such amount,

unless it shall ultimately be determined that he is entitled to be indemnified by the Cooperative as authorized in this Article.

SECTION 7.6. Rights of Persons Indemnified. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of members or disinterested Board members, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Board member, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7.7. Insurance Coverage. The Cooperative may purchase and maintain insurance on behalf of any person who is or was a Board member, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a Board member, officer, employee or agent of another Cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against all liability under the provisions of this Article.

ARTICLE VIII **NON-PROFIT OPERATION**

SECTION 8.1. 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 8.2. Patronage Capital in Connection with Furnishing Telecommunications and Information Services. In the furnishing of telecommunications and information services, 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 insure that the Cooperative will be operated 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 telecommunications and information services in excess of operating costs and expenses properly chargeable against the furnishing of such services. All such amounts in excess of operating costs and expenses for

telecommunications and information services 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 derived from telecommunications and information services. The books and records of the Cooperative shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by the patron for telecommunications and information services 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 fiscal year notify each patron of the amount of capital so credited to the patron's account; provided that individual notice of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess from telecommunications and information services and provides an explanation of how each patron may determine the amounts of capital so credited to the patron's account. All such amounts credited to the capital account of any patron shall have the same status as though it 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 non-operating margins except those derived from furnishing goods and services other than telecommunications and information services shall, insofar as permitted by law, be used to offset any losses during the current or any prior fiscal year and, to the extent not needed for that purpose, either:

- (1) Allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital to be allocated to the accounts of patrons in an equitable manner as approved by the Board; or
- (2) Used to establish and maintain, a non-operating margin reserve not assignable to patrons prior to dissolution of the Cooperative.

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 the dissolution or liquidation, the Board 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. All allocations and retirements of capital shall be at the discretion and direction of the Board as to kind, timing, method and type of assignment and distribution.

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 successor in occupancy in all or in a part of such patrons' premises served by the Cooperative unless the Board, acting under policies of general application, shall authorize other types of assignments. Patrons at any time may assign their capital credits back to the Cooperative and the Cooperative is authorized to negotiate capital credit settlement arrangements. The Cooperative shall have the right to set off amounts owed to the Cooperative by a patron for goods and services against the amounts owed by the Cooperative to the patron in his capital account.

Notwithstanding any other provision of these Bylaws, the Board, at its discretion, shall have the power at any time upon the death of any natural patron, if the legal representative of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would be retired in a general retirement under provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representative of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

When the capital credits of any patron no longer receiving service from the Cooperative comes to a total amount of less than a fixed sum determined by the Board of Directors, the same shall be retired in full with such retirements made only when and at the same time that general retirement to other patrons is made. During a general capital credit retirement, no checks shall be issued for less than a fixed amount determined by the Board, and the amount of such unretired capital credits will be retired in the first following year when the total amount of capital credits qualifying for retirement exceeds that amount set by the Board, including the amount carried over. All tax refunds made by the United States Government or any of the states in connection with the final or true cost of service as determined by the capital credits allocation process may be held and used by the Cooperative as furnished patronage capital and shall be treated in the same manner as furnished capital set out in this Section of these Bylaws.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Charter of Incorporation and Bylaws shall constitute and be a contract both between the Cooperative and each patron, and further, between all the patrons themselves individually. Both the Cooperative and the patrons are bound by such a contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions with the Cooperative and each of its patrons. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the

Cooperative's office or by publication distributed by the Cooperative to its patrons.

SECTION 8.3. Patronage Capital in Connection with Furnishing Other Services. In the event that the Cooperative should engage in the business of furnishing goods or services other than telecommunications and information services, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or service; shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time in such order of priority as the Board shall determine.

SECTION 8.4. Classification of Cooperative Functions. In its discretion, the Board of Directors may separately classify certain business functions of the Cooperative and its subsidiary, in order to more properly account for costs of services and for patronage margins supplied the members. The Board may consider all relevant factors of the cost of rendering each specific service. If such election is made by the Board, each member's capital credit allocation shall reflect the patronage capital allocated for each classification of business utilized by the member.

ARTICLE IX
DISPOSITION AND PLEDGING OF PROPERTY
DISSOLUTION AND DISTRIBUTION OF SURPLUS ASSETS UPON DISSOLUTION

SECTION 9.1. Disposition and Pledging of Property. The Cooperative may not sell, mortgage, lease or otherwise dispose of or encumber all or any substantial portion in excess of twenty-five percent (25%) of its total assets unless such sale, mortgage, lease or other disposition or encumbrance is:

- (a) Authorized at a meeting of the then-total members by the affirmative vote cast in person, without proxies, of at least two-thirds (2/3) of the total members of the Cooperative; and
- (b) Authorized by the holders of at least seventy-five percent (75%) of the outstanding indebtedness of the Cooperative; and
- (c) Preceded by a notice of meeting at which such sale, mortgage, lease or other disposition or encumbrance is to be voted on.

Notwithstanding the foregoing provisions of this Section, the members of the Cooperative may, by the affirmative majority of votes cast at any meeting of the members, delegate to the Board

the power and authority:

- (1) To borrow monies from any source and in any such amounts as the Board may from time to time determine are needed in pursuit of the Cooperative's business purposes; and
- (2) To mortgage or otherwise pledge or encumber any and all of the Cooperative's property or assets as security therefor; and
- (3) With respect to other Cooperative organizations only, to sell and lease back any of the Cooperative's property or assets.

Supplementary to the foregoing paragraphs of this Section and any other applicable provisions of law or these Bylaws, no sale, lease, lease-sale, exchange, transfer or other disposition within a single calendar year, of physical plant of the Cooperative with net value in excess of ten percent (10%) of the Cooperative's total assets, based upon the most recent audit of the Cooperative, shall be authorized except in conformity with the following:

- (1) If the Board looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent nonaffiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition, and as to any other terms and conditions which should be considered. The three (3) independent appraisers shall be designated by a district court resident judge for the judicial district in which the Cooperative's headquarters are located. If such judge refuses to make such designations, they shall be made by the Board.
- (2) If the Board after receiving such appraisals (and other terms and conditions which are submitted if any) determines that the proposals should be submitted for consideration by members, it shall first give by notice in appropriate publications other cooperatively organized telephone entities an opportunity to submit competing proposals. Any interested cooperatively organized telephone entity shall be sent copies of any proposals which the cooperative has already received and copies of the respective reports of the three (3) appraisers. Such other interested cooperatively organized telephone entities 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 the 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 not less than sixty (60) days before noticing a special meeting of the members thereon or, if such be the case, the next annual member meeting, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof an action thereon, which meeting shall be held not less than ten (10) nor more than thirty (30) days after giving the Notice thereof to the members: provided that consideration and action by the members may be given at the next annual meeting if the Board so determines and if such annual meeting is held not less than ten (10) nor more than thirty (30) days after the giving of notice of such meeting.

- (4) Any fifty (50) or more members by so petitioning the Board not less than thirty (30) days prior to 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 proposals that have been submitted or any recommendations that the Board has made.

The provisions of (1), (2), (3) and (4) above shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more telephone cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more telephone cooperatives; however, any such merger shall not take place unless authorized by at least seventy-five percent (75%) of the members of the Board.

SECTION 9.2. Dissolution. The Cooperative may be dissolved by filing, as hereinafter provided, a certificate which shall be entitled and endorsed "Certificate of Dissolution of West Carolina Rural Telephone Cooperative, Inc.", and shall state:

- (1) Name of the Cooperative, and if such Cooperative is a corporation resulting from a consolidation as therein provided, the names of all the original corporations or Cooperatives.
- (2) The date of filing of Charter of Incorporation, and if such Cooperative is a Cooperative resulting from a consolidation as - herein provided, the dates on which the Charter of Incorporation of the original corporations were filed.
- (3) That the Cooperative elects to dissolve.
- (4) The name and post office addresses of each of its directors, and the name, title and post office address of each of its officers.

Such Charter shall be subscribed and acknowledged in the same manner as an original Charter of Incorporation by the President or a Vice President, and the Secretary or an assistant Secretary, who shall make and annex an affidavit, stating that they have been authorized to execute and file such certificate by the vote cast in person of at least two-thirds (2/3) of total membership voting without proxies and that the dissolution has been authorized by at least seventy-five percent (75%) of the holders of the indebtedness of the Cooperative.

A Certificate of Dissolution and a certified copy or copies thereof shall be filed in the same place as the original Charter of Incorporation and thereupon the Cooperative shall be deemed to be dissolved.

Such Cooperative shall continue for the purpose of paying, satisfying and discharging any existing liabilities or obligations and collecting or liquidating its assets, and doing all other acts required to adjust and wind up its business and affairs, and may sue and be sued in its corporate name.

SECTION 9.3. Distribution of Surplus Assets on Dissolution. Any assets remaining after all debts and liabilities of the Cooperative shall have been paid shall be disposed of pursuant to the provisions of Section 2.4 above: provided however, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, donate or provide for the donation of, such surplus to one or more non-profit, charitable or educational organizations that are exempt from federal income taxation.

ARTICLE X **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 of West Carolina Rural Telephone Cooperative, Inc."

ARTICLE XI **FINANCIAL TRANSACTIONS**

SECTION 11.1. Contracts. Except as otherwise provided in these Bylaws, the Board may authorize an officer or officers, agent or agents, 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 11.2. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner, as shall from time to time be determined by resolution of the Board.

SECTION 11.3. Deposits. All the funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such institutions as the Board may select.

ARTICLE XII **MISCELLANEOUS**

SECTION 12.1. Membership in other Organizations. The Cooperative may become a member or purchase stock in other profit or nonprofit organizations, associations, partnerships or joint ventures when the Board finds that the general or long-term interests of its membership will be served by such investments or participation.

SECTION 12.2. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

SECTION 12.3. Rules and Regulations. The Board shall have power to make and adopt such rules and regulations, not inconsistent with law, the Charter of Incorporation or these Bylaws, as it may deem advisable for the management of the business and the affairs of the Cooperative.

SECTION 12.4. Gender. Any reference in these Bylaws to one gender shall include the others, including the neuter.

ARTICLE XIII
AMENDMENTS

These Bylaws may be amended by the affirmative vote of not less than a two-thirds (2/3) vote of the directors in office, at any regular or special Board meeting, but only if the notice of such meeting shall have contained a copy of the proposed amendment or an accurate summary explanation thereof. All Bylaw changes shall be promptly reported to the members, and such changes shall be effective forty-five (45) days after the date of written notice to the members within which time the members may petition for a special meeting to reject such changes. Provided, however, that the provisions of Section 9.1 relating to a major disposition of the Cooperative's property, Section 9.2 relating to the dissolution of the Cooperative, and Article XIII relating to Bylaw amendments, may be amended or repealed only by the affirmative vote of not less than two-thirds (2/3) of all then current members of the Cooperative voting in person and without proxies.

(Original Bylaws Approved April 21, 1952
Amended - March 27, 1956, August 4, 1958,
August 26, 1974, August 21, 1993,
April 19, 2000, March 29, 2007
and January 27, 2011