

ATLANTIC TELEPHONE MEMBERSHIP BYLAWS

ARTICLE I

SECTION 1.01. Requirements for Membership. Any person, firm, association, corporation, business trust, body politic, or subdivision who has the legal capacity to enter into a binding contract may become a member of Atlantic Telephone Membership Corporation (hereinafter called the Cooperative) by:

- (a) making any required application for membership;
- (b) agreeing to purchase from the Cooperative telecommunications and/or information services (hereinafter referred to as services) in accordance with established tariffs and as herein specified;
- (c) agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors (hereinafter called the "Board").

Provided, however, that no person, firm, association, corporation or body politic or subdivision thereof shall become a member unless and until he/she or it has been accepted for membership by the Board or the members. The Board, consistent with existing laws and regulations, is authorized and will, from time to time, designate the products and services provided by the Cooperative and its wholly owned subsidiaries, which will qualify a patron as a member of the Cooperative. Exchange, interexchange, wireless carriers or others who participate with the cooperative in the provision of services are neither members nor patrons by virtue of such activity. No member may hold more than one membership in the Cooperative, and no membership shall be transferable except as provided in these bylaws.

SECTION 1.02. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirement of Section 1 of this Article, may be accepted for such membership. The term "member" as used in these bylaws shall be deemed to include a husband and wife 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:

- (a) the presence at the 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;
- (b) the vote of either separately or both jointly shall constitute one joint vote;
- (c) a waiver of notice signed by either or both shall constitute a joint waiver;
- (d) notice of either shall terminate the joint membership;
- (e) expulsion of either shall terminate the joint membership;
- (f) withdrawal of either shall terminate the joint membership;
- (g) either, but not both, may be elected or appointed as an officer or Board member provided that both meet the qualifications for such office.

SECTION 1.03. Conversion of Membership. A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the certificate of incorporation, bylaws, and any rules and regulations adopted by the Board. Upon the death of either spouse who is a party to the joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never been joint. The estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 1.04. Membership and Service Connection Fees. There shall be no membership fee, and the service connection fee shall be in accordance with the rules, regulations, and tariffs of the Cooperative, upon the payment of which a member shall be eligible for one service connection.

Additional fees shall be paid for each additional connection, extension, and other available service, in accordance with the rules, regulations, and tariffs prescribed by the Board.

Where services are already installed for a member and the member taking such service dies leaving already installed as aforesaid, such surviving spouse shall not be required to pay a service connection fee. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues directly to occupy or use the premises covered by such membership in the same manner and to the same effect as though such membership had never been joint, except that the other spouse shall not be released from any debts due the Cooperative.

SECTION 1.05. Purchase of Services. Each member, as soon as services are available and for so long as such premises are owned or directly occupied or used by him/her, may

purchase from the Cooperative any services or combination of services furnished by the Cooperative pursuant to his/her membership; and shall pay therefore at the times, and in accordance with the rules, regulations, and tariffs established by the Board. Each member shall also pay all amounts owed by him/her to the Cooperative as and when they become due and payable.

It is expressly understood that amounts paid for service in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided by these bylaws.

The Cooperative will use its best efforts 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 requested by each individual customer.

SECTION 1.06. Termination or Suspension of Membership. A membership may be terminated or suspended as follows:

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe, and upon ceasing to the use or abandoning totally and permanently the use of services furnished by the Cooperative.
- (b) Upon failure of a member, after the expiration of the initial time limit prescribed either in a specific notice to him/her or in the Cooperative's generally publicized applicable rules and regulations, to pay amounts due the Cooperative or to cease any other noncompliance with membership obligations, his/her membership shall automatically be suspended. He/she shall not during such suspension be entitled to receive service from the Cooperative or to cast a vote at any meeting of the members. Payment of all amounts due the Cooperative, including any additional charges required for reinstatement, and/or cessation of any other noncompliance with his/her membership obligations within the final time limit provided in such notice or rules and regulations shall automatically reinstate the membership, in which event the member shall thereafter be entitled to receive service from the Cooperative and to vote at the meetings of its members.
- (c) The Board may expel, by the affirmative vote of not less than a majority of all the members of the Board, any member who shall have violated or refused to comply

with any of the provisions of the articles of incorporation of the Cooperative or these bylaws, or any rules or regulations adopted by the Board. Any person so expelled may appeal by delivering written notice to the Cooperative at least ten (10) days prior to the next annual or special meeting of the members. The person appealing may be present and heard at such meeting, which may vote approval of such expulsion or disapproval thereof, in which latter event such person's membership shall be reinstated retroactively to the date of his/her expulsion by the Board. After any finally effective expulsion of a member he/she may not again become a member except upon new application for membership therefore duly approved as provided in these bylaws. The Board upon principles of general application may establish such additional terms and conditions for renewed membership as it may determine to be reasonably necessary to assure the applicant's compliance with all his/her membership obligations.

- (d) The membership of a member who has ceased to purchase service from the Cooperative for more than ninety (90) days continuously will be withdrawn.

Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall terminate. Termination of membership in any manner shall not release a member or his/her estate from any debts due the Cooperative.

Upon termination of membership for any reason, the Cooperative shall refund to the member, his/her estate, or legal representative, as the case may be, any security deposit he/she may have made to the Cooperative, provided however, that the Cooperative shall deduct from the amount of such security deposit the amount of any debts or obligations owed by the member to the Cooperative.

SECTION 1.07. Membership to Grant Easement. Each member, upon being requested to do so by the Cooperative, shall execute and deliver to the Cooperative grants of easements or right-of-way over, under, and on such lands owned by the member in accordance with such reasonable terms and conditions as the Cooperative shall require for the furnishing of services to him/her or to other members or for the construction, maintenance, or relocation of the Cooperative's service facilities.

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

SECTION 2.01. Property Interest of Members. Upon dissolution of the Cooperative, all assets shall be distributed in the following priority:

- (1) all debts and liabilities of the Cooperative shall have been paid;
- (2) all capital furnished through patronage shall have been retired as provided in these bylaws;
- (3) the remaining property and assets of the Cooperative shall be distributed in accordance with the applicable provisions of law.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 3.01. Annual Meetings. The annual meeting of the members shall be held during the month of September or October of each year, or such other time as the Board shall designate, at such place in the County of Brunswick, State of North Carolina or at such other place as may be designated by the Board, as shall be designated in the notice of the meeting, for the purpose of electing Directors, 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 the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 3.02. Special Meetings. Special meetings of the members may be called by resolution of the Board, or upon written request signed by not less than fifteen percent (15%) of all the members. 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 the County of Brunswick or any such other place as may be designated by the Board within the State of North Carolina on such date and beginning at such hour as shall be designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3.03. Notice of Members' Meetings. Written or printed notice stating the designated polling times and designated polling places for voting as well as 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, and the purpose or purposes for which the meeting is called shall be delivered to each member not less than ten (10) days nor more than thirty-five (35) days before the date of the meeting, either personally, electronically or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary by the persons calling the meeting. If such notice is sent electronically, it shall be deemed to be delivered at the time of transmittal. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Cooperative with postage thereon prepaid. The 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 3.04. Quorum. Each member registered to vote at the designated polling places at the designated polling times shall be counted present for purposes of a quorum for the annual meeting of the members. At least one percent of the total members registered or such lesser number as may be designated by the Board shall constitute a quorum. If less than a quorum is registered for any meeting, a majority of those present in person may adjourn the meeting to another time and date at least thirty (30) days later and to any place within the service area of the Cooperative. 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 3.03. At all meetings of the members, whether a quorum be present or not, the Secretary shall annex to the meeting minutes, or incorporate therein by reference, a list of those who were registered. Members must have membership status designated as of twenty (20) days prior to the date of the annual membership meeting, which status shall be determinative of the status effective for such annual membership meeting.

SECTION 3.05. Voting. Each member who is not in a status of suspension, as provided for in SECTION 1.06, shall be entitled to one vote and no more upon each matter submitted to a vote at any meeting of the members. However, a member which is a firm, association, corporation, business trust, body politic, or subdivision may be present and vote at such meeting by and through a designated representative, qualified as such upon registering for the meeting. At all meetings of the members at which a quorum is present, all questions shall be decided by a majority of the members voting thereon in person, except as otherwise provided by law, the Cooperative's articles of incorporation, or these bylaws. Proxies are not allowed. Members must

register and vote in person during the designated polling times and at the designated polling places as approved by the Board. **Each member registered to vote at the designated polling places at the designated polling times shall be counted present for purposes of a quorum for the annual meeting of the members.**

SECTION 3.06. Credentials & Election Committee. The Board shall at least ten (10) days before any meeting of the members, appoint a Credentials & Election Committee consisting of nine members who are not Board members and who are not close relatives or members of the same household of existing Board members or known Board member candidates to be elected at such meeting. In appointing the Committee, the Board shall have regard for equitable and geographic representation of the areas served by the Cooperative. The Cooperative's attorney shall act as chairman of the Credentials & Election Committee.

It shall be the responsibility of the Committee:

- (a) to conduct the election of Board members;
- (b) to pass upon all questions that may arise with respect to the registration of members in person;
- (c) to prevent electioneering by any candidate or incumbent or their representatives within the confines of the room and/or area designated for the registrars;
- (d) to confirm balloting by electronic voting or ballots cast in any election or in any other ballot vote taken;
- (e) to rule upon the effect of any ballots irregularly or indecisively marked or cast and to rule upon other questions that may arise relating to member voting and the election of Directors (including but not limited to the validity of petitions of nomination and election of Directors); and
- (f) to pass upon any protest or objection filed with respect to any election or conduct affecting the results of any election.

In the event a protest or objection is filed concerning any election, such protest or objection must be filed during or within three business days following the adjournment of the meeting in which the voting is conducted. The Credentials and Election Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven days after such protest or objection is filed. The Committee shall hear such evidence as is presented by the protester(s) or objector(s) who may be heard in person, by counsel, or both, and any opposing

evidence. The Committee, by a vote of the majority of those present and voting, shall render its decision within a reasonable time, but not later than thirty (30) days after such hearing. Its decision may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not act on any matter unless a majority of the Committee is present.

SECTION 3.07. 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 essentially as follows:

- (a) report on the number of members registered to vote in order to determine the existence of a quorum;
- (b) reading of the notice of the meeting and proof of the due electronic delivery or publication of mailing thereof, or of the waiver or waiver of notice of the meeting, as the case may be;
- (c) reading of the unapproved minutes of previous meeting of the members and taking of necessary action thereon;
- (d) presentation and consideration of reports of officers, Directors, and committees;
- (e) election of Board members;
- (f) unfinished business;
- (g) new business;
- (h) adjournment.

The Board may establish a different order of business. No items of business may be considered from the floor of the meeting of the members unless the item of business has been placed on the agenda twenty (20) days in advance of the meeting of the members. To place items of business on the agenda a member must make a written request and submit it to the Chief Executive Officer at the main office of the Cooperative in Shallotte, North Carolina, to be considered by the board for inclusion on the agenda, prior to the annual meeting. No business after 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 4.01. General Powers. The business and affairs of the Cooperative shall be managed by a Board of nine members which shall exercise all the powers of the Cooperative except such as are by law, the articles of incorporation, or these bylaws conferred upon or reserved to the members.

SECTION 4.02. Election and Tenure of Office. So as to ensure equitable and geographical representation on the Board, the area served by the Cooperative shall be divided into seven districts, as indicated on the service area map attached hereto and made a part (hereof) of these bylaws, and each district shall be represented by one Director, which shall be a resident hereof. Additionally, the membership shall be represented by two regional Directors. These regional directors will each serve approximately one-half of the geographical area of the Cooperative. One who must live in the area that is made up of districts 1, 2 3 and 4, this area being designated as the western region. The other regional director must live in the area that is made up of districts 5, 6 and 7, with this area being designated as the eastern region. At the annual meeting of members, beginning with the year 2018, three Board members shall be elected, one each from Districts 5 and 7 and the western region; and each such Board member shall be elected by ballot by and from the members for a term of three years, or until their successors shall have been elected and shall have qualified. At the annual meeting of members held in the year 2019, three Board members shall be elected, one each from Districts 2, 4, and the eastern region; and each such Board member shall be elected by ballot by and from the members for a term of three years, or until their successors shall have been elected and shall have qualified. At the annual meeting of members held in the year 2020, three Board members shall be elected, one each from District 1 and 3 and 6; and each such Board member shall be elected by ballot by and from the members for a term of three years, or until their successors shall have been elected and shall have qualified. The Board of Directors shall initially appoint to the Western Region a qualified member as the Director for the Western Region and also, a qualified member as the Director for the Eastern Region within 90 days of the creation of the Western Region and Eastern Region as established by these bylaws.

Beginning with the next succeeding annual meeting of the members, and at each such meeting thereafter, the same number of Board members that correspond to the number whose

terms are expiring shall be elected to serve a term of three consecutive years. (A year as used in this section shall mean the period beginning with one annual meeting of the members and ending at the next.) Notwithstanding the terms for which they are elected, Board members shall serve until their successors shall have been elected and shall have qualified.

In the event there are no more members nominated by the manner prescribed in ARTICLE IV, Section 4.05 of these bylaws, than there are vacancies to be filled, then in that event, on motion duly made and seconded, those members so nominated may be elected by acclamation or voting may be conducted in any other proper manner. If an election of Board members as herein before specified shall not be held on the date designated herein for the annual meeting, or at any adjournment thereof, such election may be held at any adjournment of such meeting or at a subsequently held special meeting. Board members may be elected by a plurality vote of the members.

SECTION 4.03. Eligibility to Serve On the Board of Directors. Certain qualifications are required by law and the Cooperative's Bylaws to become and remain a Director of the Cooperative. It is the responsibility of the Board to ensure that those qualifications are met. If the Board should determine that an incumbent Director, nominee, or potential appointee to the Board lacks or has lost any of the necessary qualifications, or no longer is able to carry out, or has failed to carry out the duties and responsibilities of a Director, it is the duty of the Board to remove such incumbent or to declare such nominee or potential appointee ineligible for election or appointment. Any incumbent removed by action of the board shall never again be eligible to serve.

Qualifications-Any person, to become and remain a Director of the Cooperative, shall:

- (a) be an active member and a United States Citizen, having a permanent, principle/primary residence within the boundary of their respective district or region and agree to comply with applicable requirements of law, the Cooperative's Articles of Incorporation, Bylaws, Policies and duly made decisions and attest to their willingness to comply and remain compliant with these qualifications and the duties and responsibilities as listed in section 4.04 of these bylaws;
- (b) have demonstrated in their own personal and professional experience the ability to assume a fiduciary duty to act in good faith, above their own self-interest, by

exercising sound knowledge and skill in the best interests of the Cooperative and its members and shall not be employed by or financially interested in a competing enterprise or businesses engaged in selling services or building facilities to compete against the Cooperative;

- (c) be willing to devote such time and effort to the duties of a Director as may be necessary to govern the Cooperative's affairs including attending regular and special scheduled meetings of the Board, as well as other meetings of organizations with associated interests that further the Cooperative principles.
- (d) not be a current employee of the Cooperative, nor an employee of the Cooperative in the last five years, nor receive any remuneration from the Cooperative except those called for in this document, nor be a close relative of an incumbent Director or employee of the Cooperative;
- (e) be a member in good standing applicable to financial matters as a Cooperative member, who has been an active member for a minimum of the past five years and has had no more than one service suspension for non-payment and has no more than three delinquent treatments within the last 24 months;
- (f) not have attained the age of seventy-two (72) years on the date of election or reelection of said member, unless said member was elected prior to and has served continuously since the August 1, 2013 effective amendment date of this subsection. A Director may complete service of their unexpired term of office even after attaining said age.

SECTION 4.04. Duties and Responsibilities of Director. Service as a Director includes the following responsibilities:

- (a) to work diligently to understand the Cooperative's challenges, objectively evaluate and consider the questions and problems with which the Cooperative is faced while providing the judgment needed to reach decisions in constantly changing circumstances;
- (b) to consistently demonstrate an understanding that the power and authority of the board is only while in session and working collaboratively and agree to keep in confidence and not to disclose the topics, votes and the actions of the Board

outside of the Boardroom, unless agreed to by action of the Board. An individual Board member has no authority or power to act on their own as a company representative or disclose topics and actions of the Board, unless provided such power by action of the Board;

- (c) to agree to refrain from involvement in the day-to-day management and operation of the cooperative employees and activities, unless such involvement is done with the full knowledge and approval and by the action of the Board;
- (d) to contribute to the development of statements on functions and responsibilities of Board members while working toward their constant improvement, and support all official decisions and actions made or taken by a majority of the Board;
- (e) to keep informed as to the ideals and objectives of the Cooperative and to further study and analyze the policies, plans, and problems which result from efforts to achieve such ideals and objectives while conscientiously studying information contained in reports submitted to the Board ensuring that the cooperative's ideals and objectives are being met;
- (f) to inform all interested persons about the Cooperative's ideals, objectives, programs, and services while keeping informed of, alert to, and aware of the attitudes of the members, the employees, and the general public toward the Cooperative's objectives and policies, and
- (g) to conduct himself/herself in the eyes of the general public in such a manner as will reflect credit to the Cooperative and personify the position of trust held by the Director, by not being convicted of a felony or crime of moral turpitude and/or refraining from conduct representing disregard of the standard of behavior which the members can rightfully expect from a Director, including attempts to unduly influence, coerce, or harass employees, contractors, members, or the like.

SECTION 4.05. Nominations. It shall be the duty of the Board to appoint not less than forty (40) or not more than one hundred twenty (120) 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 five nor more than eleven eligible members who shall be selected from different districts so as to ensure equitable representation. No member of the Board may serve on such committee. The committee, keeping in mind the principle of geographical representation, shall

prepare and post at the main office of the Cooperative at least thirty (30) days before the meeting a list of nominations for Board members which shall consist of at least one nominee for each Board position to be filled by the election, who has been properly vetted and found by the committee to meet all the qualifications, duties and responsibilities of a board member.

Other Nominations by written and signed Petition may be made and requires the greater of 150 signatures of current active members of the corporation or 10% of the registered members of the previous year's Annual Membership meeting with said petition accompanied by a written application signed by the Nominee attesting to his or her qualifications to serve, all of which must be received in the Corporate Headquarters Office on or before the tenth day of September, and not less than twenty (20) days prior to the meeting and the Secretary shall post such nomination at the same place where the list of nominations made by the committee is posted. The Secretary shall electronically deliver or shall mail with the 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, specifying separately the nominations made by the committee and the nominations made by petition, if any.

SECTION 4.06. Removal of Director by Members. Any member may bring charges against a Board member and, by filing with the Secretary such charges in writing together with a petition signed by at least twenty percent (20%) of the members or 500, whichever is the lessor, may request the removal of such Board member by reason thereof. Such Board member shall be informed in writing of the charges at least twenty (20) 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 and to present evidence in respect of the charges. The person or persons bringing the charges against him/her shall have the same opportunity. The question of the removal of a Director shall not be voted upon at all unless some evidence in support of the charge(s) against him/her shall have been presented during the meeting through oral statements, documents, or otherwise. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members. Any vacancy created by such removal may be filled in accordance with section 4.07 of these bylaws.

SECTION 4.07. Vacancies. Vacancies occurring on the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term. 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.

SECTION 4.08. Compensation and Expenses. For their services Board members shall receive such compensation which may include insurance and other benefits as is fixed by resolution of the Board. For the performance of their duties, Directors may also receive advancement of reimbursement of any travel and out-of-pocket expenses actually, necessarily, and reasonably incurred, in accordance with the established policies and resolutions of the Cooperative. 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 such compensation shall be specifically authorized by the remaining Directors upon their certification of such as an emergency measure. However, a Director who is also an officer of the Board, and who as such officer performs regular or periodic duties of a substantial nature for the Cooperative, may be compensated in such amount as shall be fixed and authorized in advance of such service by the remaining Directors. Any Director who has served ten (10) years is eligible to become a director emeritus. In such event, said director emeritus shall be entitled to such privileges as may be established and revised by resolution of the corporation except the right to vote. Further, such director emeritus shall attend any meeting, unless he/she is physically unable so to do, when requested by the Board with the same expenses of attendance paid to regular members of the Board.

SECTION 4.09. "Close Relative" Defined. As used in these bylaws "close relative" as defined in the employee policies of the Cooperative.

ARTICLE V

MEETINGS OF BOARD

SECTION 5.01. Regular Meetings. A regular meeting of the Board shall be held without notice, immediately after, and at the same place as the annual meeting of the members. Regular meetings of the Board shall also be held at such time and place in Brunswick County, North Carolina or any such other place as may be designated by the Board, as the Board may provide by resolution. Such regular meetings may occur monthly but must occur a minimum of twelve times per year and may be held without notice other than such resolution fixing the time and place thereof.

SECTION 5.02. Special Meetings. Special meetings of the Board may be called by the President, or by any three 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 the Board members calling the meeting shall fix the time and place (which shall be in Brunswick County or any such other place as may be designated by the Board).

SECTION 5.03. Notice of Special Board Meeting. Written notice of the time, place, and purpose of any special meeting of the Board shall be delivered to each Board member not less than five days previous thereto either personally, electronically with acknowledgment of receipt requested, or by mail, at the direction of or by the Secretary, or upon default in duty by the Secretary, by the President or other Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Board member at his/her address as it appears on the records of the Cooperative with postage thereon prepaid.

SECTION 5.04. Quorum. A majority of the Board shall constitute a quorum. If less than such majority of the Board is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. The act of a majority of the Directors in office shall be the act of the Board. The attendance of a Director at any meeting of the Board shall constitute a waiver of notice of such meeting unless such attendance shall be for the express purpose of objecting to the transaction of any business, or of one or more items of business, on the grounds that the meeting shall not have been lawfully called or convened.

SECTION 5.05. Manner of Acting. The act of the majority of the Board members present at a meeting at which a quorum is present shall be the act of the full Board.

SECTION 5.06. Rules of Order. Parliamentary procedure at all meetings of the Board or of any committee provided for in these bylaws and of any committee of the members or Board which may be duly established shall be governed by the most recent edition of Roberts Rules of Order except to the extent that such procedure is otherwise determined by law or the Cooperative's Certification of Incorporation or bylaws.

ARTICLE VI

OFFICERS

SECTION 6.01. Numbers. The officers of the Cooperative shall be a President, Vice President, Secretary, and Treasurer, and such other officers as may be determined by the Board. The offices of Secretary and Treasurer may be held by the same person.

SECTION 6.02. Election and Term of Office. The officers shall be elected by ballot or by voice vote annually by and from the Board members at the meeting of the Board held immediately after the annual meeting of the members, except that the Board may at its pleasure by resolution elect subordinate officers (such as Assistant Secretary and Assistant Treasurer). If the election of officers shall not be held at the meeting of the Board immediately after the annual meeting of the Cooperative, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his/her successor shall have been elected and shall have qualified. Except as otherwise provided for in these bylaws, a vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 6.03. Removal of Officers and Agents by Board. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer by filing with the Secretary such charges in writing, together with a petition signed by ten percent (10%) of the members requesting the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least twenty (20) 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. The person or persons bringing the charges against him/her shall have the same opportunity. In the event the Board does not remove such officer, the question of his/her removal may be considered and voted upon at the next meeting of the members.

SECTION 6.04. Vacancies. A vacancy in any office elected by the Board shall be filled by the Board for the unexpired portion of the term.

SECTION 6.05. President. The President shall:

- (a) be the principal executive officer of the Cooperative and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;
- (b) sign, with the Secretary 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
- (c) in general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board.

SECTION 6.06. Vice President. In the absence of the President, or in the event of his/her 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 may be assigned to him/her by the Board.

SECTION 6.07. Secretary. The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the Board in one or more books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affix the seal 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;
- (d) keeping a register of the names and addresses of all members;
- (e) keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to each member; and

- (f) in general, performing all duties incident to the office of Secretary and such other duties as may be assigned to him/her by the Board.

SECTION 6.08. Treasurer. The Treasurer shall be responsible for:

- (a) custody of all funds and securities of the Cooperative;
- (b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit for 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; and
- (c) the general performance of all the duties incident to the office of Treasurer and such other duties as may be assigned to him/her by the Board.

SECTION 6.09. Delegation of Secretary's and Treasurer's Responsibilities.

Notwithstanding the duties, responsibilities, and authorities of the Secretary and of the Treasurer provided in Sections 6.07 and 6.08, the Board by resolution, except as otherwise limited by law, may delegate wholly or in part, the responsibility and authority for, and the regular or routine administration of one or more of such officer's duties to one or more agents, other officers, or employees of the Cooperative who are not Board members. To the extent that the Board does so delegate with respect to either such officer, that officer shall be released from such duties, responsibilities, and authorities.

SECTION 6.10. CEO/General Manager. The Board may appoint a CEO/General Manager who may be, but who shall not be required to be, a member of the Cooperative. The CEO/General Manager shall perform such duties and shall exercise such authority as the Board may vest in him or her.

SECTION 6.11. Bonds of Officers. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded 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 in such amount and with such surety as it shall determine.

SECTION 6.12. Compensation. The powers, duties, and compensation of officers, agents, and employees shall be fixed by the Board, subject to the provisions of these bylaws with respect to compensation for a Board member and close relatives of a Board member.

SECTION 6.13. 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

NON-PROFIT OPERATION

SECTION 7.01. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefits of its patrons, members and non-members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons, members or non-members.

SECTION 7.02. Patronage Capital in Connection with Furnishing Services. In the furnishing of services, the Cooperative's operations shall be so conducted that all patrons, members and non-members alike will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of services in excess of operating costs and expenses properly chargeable against the furnishing of services.

All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members as capital. The Cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses.

The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his/her account.

However, individual notices of such amounts furnished by each member shall not be required if the Cooperative notifies all members of the aggregate amount of such excess and provides a clear explanation of how each member may compute and determine for himself/herself the specific amount of capital so credited to him or her. All such amounts

credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall insofar as permitted by law be used to offset any losses incurred during the current or any prior fiscal year. To the extent not needed for that purpose, these funds may be allocated to its members on a patronage basis. Any amount so allocated shall be included as part of the capital credited to the accounts of members, as herein provided. The Cooperative may also establish a permanent and non-allocated capital account for all non-operating sources of income not collected from members for services.

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 dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to members' accounts may be retired in full or in part. Any such retirements of capital shall generally be made at the discretion and direction of the Board as to timing, method and type of retirement.

Capital credited to the account of each member shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such member's premises served by the Cooperative, unless the Board acting under the policies of general application, shall determine otherwise.

Notwithstanding any other provision of these bylaws, the Board at its discretion shall have the power at any time upon the death of any member to cause the capital credited to such member to be retired early, if the legal representatives of such member's estate shall request in writing that the capital credited to any such member be retired early; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Notwithstanding any other provision of these bylaws, the Board at its discretion, shall have the power at any time upon the formal dissolution of a non-human business member and

corresponding withdrawal of the dissolved member's membership, to cause the capital credited to such membership to be retired early; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Any such early retirement of a patron's capital shall be discounted based on the previous calendar years average Wall Street Prime Rate plus 1.5% per annum of each applicable year and a discount period equal to the numbers of years of patronage capital then outstanding. All amounts of capital allocated to members but retained by the Cooperative after retirements on a discounted basis shall be considered a contribution of capital to the Cooperative and part of the "net savings" of the Cooperative. "Net Savings" of the Cooperative will not be reallocated as excess margins to any former or current Cooperative member but rather be classified as permanent equity of the Cooperative.

The Cooperative, before retiring any capital credited to any person's account, shall deduct therefrom any amount owing by such member to the Cooperative.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting on the internet website of the Cooperative.

ARTICLE VIII

DISPOSITION OF PROPERTY

SECTION 8.01. Sale of Property. The Cooperative may not sell or dispose of any of its property other than merchandise and inventory or assets which shall represent not in excess of twenty-five percent (25%) of the Cooperative's total assets, which in the judgment of at least three-fourths of the Board are not necessary or useful in the continuing operations of the Cooperative, unless authorized to do so by the votes of at least a majority of the members of the Cooperative; and with any other consents that may be required in the debt covenants of the Cooperative.

Notwithstanding anything herein contained, the Board is authorized:

- (a) to borrow funds in such amount, upon such terms and conditions, and from such sources as it may from time to time deem necessary or desirable for the Cooperative's construction, acquisition, operation, restoration, maintenance, or improvement of its telephone and information services facilities and related property, or for any other property purpose on the Cooperative's behalf; and
- (b) to pledge, by mortgage, deed of trust or otherwise, all or any portion of the Cooperative's properties as security for such borrowings.

SECTION 8.02. Encumbrance or Lease of Property. The Cooperative may mortgage, otherwise encumber or lease for revenue, any of its property provided the same is approved by the Board and is in the judgment of the Board beneficial in the operating of the Cooperative and provided the same does not violate any provision or rule of the debt covenants of the Cooperative.

ARTICLE IX

SEAL

SECTION 9.01. 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" and "Shallotte, N.C."

ARTICLE X

FINANCIAL TRANSACTIONS

SECTION 10.01. Contracts. Except as otherwise provided in these bylaws, the Board may authorize any 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. Such authority may be general or confined to specific instances.

SECTION 10.02. 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 be determined by resolution of the Board.

SECTION 10.03. Deposits, Investments. All funds of the Cooperative shall be deposited or invested to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board may select.

SECTION 10.04. Change in Rates. The Board shall have power to make, adopt, amend, abolish, and promulgate such rules, regulations, rate schedules, contracts, security deposits, and contribution in-aid-of-construction, consistent with law, the Cooperative's articles of incorporation or bylaws, as it may deem advisable for the management, administration, and regulation of the business and affairs of the Cooperative.

SECTION 10.05. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 11.01. Membership in Other Organizations. The Cooperative may become a member of or purchase stock in any other profit or non-profit 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 11.02. Waiver of Notice. Any member or Board member may waive in writing any notice of a meeting required to be given in these bylaws. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 11.03. Rules and Regulations. The Board shall have power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation, or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 11.04. Accounting System and Reports. The Board shall cause to be established and maintained a complete accounting system which is compliant with applicable laws, rules, and regulations of any regulatory body having jurisdiction. The Board shall also after

the close of each fiscal year cause to be made by a certified public accounting firm a full and complete audit of the accounts, books, and financial condition of the Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the next following annual meeting.

ARTICLE XII

AMENDMENTS

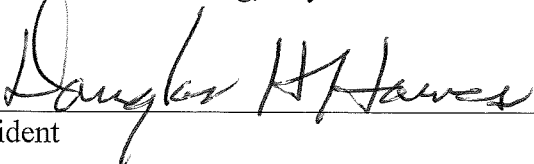
SECTION 12.01. These bylaws may be altered, amended, or repealed by the affirmative vote of not less than a majority of the members of the Board at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alterations, amendment, or repeal.

ARTICLE XIII

INDEMNIFICATION

SECTION 13.01. Every Director, officer, or employee or former Director, officer, or employee of the Cooperative shall be indemnified by the corporation against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon him/her in connection with any proceeding to which he/she may be made a party, or in which he/she may become involved, by reason of his/her being or having been a Director, officer, or employee of the corporation, or any settlement hereof, whether or not he/she is a Director, officer, or employee at the time such expenses are incurred, except in such cases wherein the Director, officer, or employee is adjudged guilty of negligence or misconduct in the performance of his/her duties. In the event of a settlement and reimbursement as being for the best interests of the corporation, the foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, officer, or employee may be entitled.

Revised, Board Meeting, July 2019



President

(End of bylaws)