

BY-LAWS OF
GARDEN VALLEY TELEPHONE COMPANY
AS AMENDED JUNE 30, 2020

NOTE: Any reference to either male or female gender in these By-Laws is intended to include both genders and is not to be considered as a limitation of either sex. The masculine pronouns (he, his, him) shall include the feminine pronouns (she, hers, her).

ARTICLE I
Membership

Section 1. Membership. Any person and any partnership, incorporated or unincorporated association, corporation or public body, shall become a member of Garden Valley Telephone Company (hereinafter called "Cooperative") upon purchasing communications service from the Cooperative; provided that no purchaser of communications service from the Cooperative shall become a member as a result of such purchase if the communications service obtained from the Cooperative is resold by the purchaser or combined with other elements for use in providing a communications service to another person or entity. In purchasing communications service from the Cooperative, each member shall agree to comply with and be bound by the Articles of Incorporation and By-Laws of the Cooperative and any reasonable rules and regulations adopted by the Board of Directors. No member may hold more than one membership in the Cooperative and no membership shall be transferable except as provided in these By-Laws.

Section 2. Evidence of Membership. Membership in this Cooperative shall be evidenced by purchase and payment of communications service from the Cooperative.

Section 3. Joint Membership. Any two or more adult individuals who are residents of the same household may apply for a joint membership and, subject to their compliance with the requirements of these By-Laws, may be accepted for such membership. The term "membership" as used in these By-Laws shall be deemed to include those individuals holding a joint membership, and provision relating to the rights and liabilities of a membership shall apply equally with respect to the holders of the joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of the joint membership shall be as follows:

- (a) The presence at a meeting of any one or more of the individuals holding a joint membership shall be regarded as the presence of all of such individuals for the purpose of the one joint membership and shall constitute a joint waiver of notice of the meeting binding upon all individuals holding the joint membership.

- (b) The first registered vote by any one of the individuals holding a joint membership shall constitute a vote binding upon all of such individuals.
- (c) A waiver of notice signed by any one of the individuals holding a joint membership shall be binding upon all of the individuals holding the joint membership.
- (d) Notice to any one of the individuals holding a joint membership shall constitute notice to all of the individuals holding the joint membership.
- (e) Expulsion of any one of the individuals holding a joint membership shall terminate the joint membership.
- (f) Withdrawal of any one of the individuals holding a joint membership shall terminate the joint membership.

Section 4. 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 the adult(s) to be added to the account to comply with the Articles of Incorporation, By-Laws, and any rules and regulations adopted by the Board.
- (b) Upon the death of any one of the individuals holding a joint membership, such membership shall be deemed held by the surviving individual(s) holding the joint membership, provided, however, that the estate of such deceased individual shall not be released from any debts due the Cooperative.

Section 5. Service Deposits and Deductions. The Board of Directors may require service connection deposits for each connection, or other available service pursuant to reasonable rules and regulations adopted by the Board and approved by the applicable regulatory bodies. Before any funds are paid by the Cooperative to a member or former member, the amount of debts owing from the member or former member to the Cooperative shall be deducted therefrom.

Section 6. Payment for Communication Service. Each member shall pay for all communication service purchased from the Cooperative at rates which shall from time to time be fixed by the Board of Directors and approved by the applicable regulatory body.

Section 7. Termination of Membership.

- (a) Membership in this Cooperative shall automatically terminate when the

member ceases to purchase communications service from the Cooperative or, for an individual holding a joint membership, when that individual no longer resides in the same household as the other individual(s) holding the joint membership.

- (b) Any member may withdraw from membership upon a compliance with such uniform terms and conditions as the Board may prescribe.
- (c) The Board may by the affirmative vote of not less than two-thirds of all members of the Board expel any member who fails to comply with any of the provisions of the Articles of Incorporation, or By-Laws or rules or regulations adopted by the Board but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. An expelled member may again become a member only by reinstatement by a vote of the Board or by a vote of the members at any annual or special meeting.
- (d) Termination of membership in any manner shall not release a member or his estate from any debts due to the Cooperative.

Section 8. Non-Liability 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. No member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE II Meetings of Members

Section 1. Annual Meeting. The annual meeting of the members of the Cooperative shall be held, at such time and in such manner, method, and location (whether in-person, virtual, teleconference, or through a different format) as a site decided annually by the Board of Directors, in the month of June of each year (unless another month is determined by the Board of Directors), ~~the exact date and hour of which meeting shall be also fixed by the Board of Directors~~, 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 and place shall not work a forfeiture or dissolution of the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by a majority vote of the Directors or upon written petition of at least twenty (20%) per cent of the members, and in such a case such special meeting shall be held within thirty (30) days from and after the date of the presentation of the petition.

Section 2.1. Reconsideration of Action. If, at any meeting of the members, any motion is passed, resolution is adopted, business is transacted, or action is taken which

is not specifically identified within the notice of such meeting, such motion, resolution, business, or action may be reconsidered, whether through modification, amendment, or repeal, at a meeting of members called and held in the manner provided in Article II of the By-Laws.

Section 3. Notice of Meeting.

- (a) Notice shall be given by the Secretary of all annual and special members meetings by mailing a notice thereof to each member at his last known address not less than fifteen (15) days before the date of the proposed meeting or by publishing a notice thereof in a legal newspaper of the county of the principal place of business of the Cooperative at least two weeks before the date of such a meeting. The failure of any member to receive such a notice shall not invalidate any action which may be taken by the members at such a meeting.
- (b) The Secretary shall execute a certificate showing an exact copy of the notice and the date of mailing thereof. The certificate shall be made a part of the record of the meeting.

Section 4. Quorum.

- (a) At any regular or special meeting of the members a quorum necessary for the transacting of business shall be ten (10%) per cent of the total number of members in the Cooperative when the total number does not exceed five hundred (500), and if the Cooperative has a larger number of members, fifty (50) members shall constitute a quorum.
- (b) The quorum shall be established by a registration of members of the Cooperative who are present at the meeting, which shall be verified by the President and Secretary and shall be reported in the minutes of the meeting.
- (c) On a question submitted to a vote by mail or by electronic means, the members present in person and the members represented by mail vote or electronic vote shall be included in determining the quorum.

Section 5. Voting. A member shall not be entitled to more than one vote at any meeting of the members. ~~When voting is done by acclamation, standing or raising of hands, the President may cast the deciding vote in case of a tie, if he has not already voted on the question. When a ballot vote is required and the President desires to vote, he must cast his vote when the rest of the votes are cast. In voting, the spouse of a member may vote on behalf of the member unless the member has indicated otherwise.~~

At all meetings of the members at which a quorum is present, all questions shall be decided by a simple majority of the members voting thereon at such meeting in

person, by mail, or electronic means, except as provided by law, the Articles of Incorporation, or these Bylaws.

No member shall be entitled to vote by proxy except that a spouse may vote on behalf of the member unless the member has indicated otherwise to the Cooperative.

A member shall be entitled to submit a vote at a meeting of the members on any matter submitted to a vote of the members at such meeting by any of the following methods (but not more than one) as determined by the Board of Directors: (a) in person, (b) mail, (c) or electronic voting.

Any member which is a legal business entity, association, or body politic, or subdivision thereof, may be required to furnish appropriate evidence of authority of its representative to vote on its behalf. Such authority shall be furnished to the Secretary of the Cooperative before such representative votes at any such meeting.

It shall be within the Board of Directors' sole discretion whether to have any matter up for a vote by the members of the Cooperative to be voted on in person at a meeting, by mail, or by electronic means. The ballot shall be available in accordance with procedures authorized by the Board of Directors, including a means by which a member may indicate an affirmative or negative vote. The ballot shall be in the form prescribed by the Board of Directors and shall contain the text of the proposed motion, resolution, or amendment to be acted on at the meeting and spaces opposite the text of the motion, resolution, or amendment in which the member may indicate an affirmative or negative vote thereon, and, in the case of an election ballot, shall contain the name of each candidate for office and shall contain space opposite each name in which such member may indicate their vote thereon. The procedure shall specify the date and time by which the ballot must be received by the Cooperative, or its designee, to be counted. The procedure shall specify the date and time by which a ballot must be received by the Cooperative to be counted as the vote of the member at such meeting. Any ballot not properly completed or submitted, or not timely received, shall be invalid. The failure of any member to receive a copy of any motion, resolution, amendment, candidate slate, or a ballot by any means shall not invalidate any action which may be taken by the members at any meeting.

In the event there is only one candidate duly nominated for election to a director position, the single candidate nominated shall be deemed elected by acclamation as an unopposed candidate, and no voting shall be required for such uncontested director position. In the event of a tie vote for a director position, the winner shall be chosen by a flip of the coin.

Section 6. Order of Business. Insofar as it is practical, the order of business at the annual meeting and at all other meetings of the members shall be:

- (a) registration of members.
- (b) proof of notice of the meeting.
- (c) reading and disposal of all unapproved minutes.
- (d) annual reports of officers and committees.
- (e) election of Directors.

- (f) unfinished business.
- (g) new business.
- (h) adjournment.

Section 7. Directors Meeting. Each member of the Board of Directors shall be duly notified by mail of all Board meetings at least seventy-two (72) hours before the time of the meeting, but any Director may, in writing, either before or after the meeting waive notice thereof, and without notice any Director by his attendance at and participation in the action taken at any meeting shall be deemed to have waived notice of such meeting. A majority of the Directors shall constitute a quorum at all meetings of the Board and a majority vote of the members present shall decide all questions.

Section 8. Regular Directors Meetings. The regular meeting of the Board of Directors shall be held monthly, with the date, place and time to be set by a majority vote of a quorum of the Board of Directors.

Section 9. Special Directors Meetings. Special meetings of the Board of Directors may be called by the President or a majority of the Board. No business except that mentioned in the call for the special meeting shall receive final action at the special meeting unless all of the members of the Board are in attendance. Notice of such special Directors meeting shall be given as set forth above for regular Directors meeting.

ARTICLE III Directors and Officers

Section 1. Number and Qualifications of Directors. The business and affairs of this Cooperative and its management shall be vested in a board of nine Directors who shall be members of the Cooperative. No member shall be eligible to become or remain a Director unless he or she is a resident of the district that said person represents and unless said person is receiving service from the Cooperative at his or her residential abode. No member shall be eligible to become or remain a Director who is in any way employed by or financially interested in a competing enterprise. No member shall be eligible to become or remain a Director if he or she is a brother, sister, son, daughter, father, mother, wife, or husband of an employee of the Cooperative. No former Garden Valley Telephone Company employee shall be eligible to become a Director. Nothing in this section shall or shall be construed to, effect in any manner whatsoever, the validity of any action taken at any meeting of the Board of Directors unless such action is taken with respect to a matter which one or more of the Directors have an undisclosed interest adverse to that of the Cooperative.

[Section 2. Nominations. \(a\) Any member, meeting the qualifications as set forth in these Bylaws, who desires to be a candidate for the Board of Directors, shall be nominated by submitting a petition, in a form approved by the Board of Directors,](#)

signed by 15 members who have voting rights from the district in which the member seeks nomination. (b) The member's petition shall be submitted not more than 130 days, but not less than 90 days before the date of the annual meeting of the members. A member who submits a petition either (i) before the 130 days before the date of the annual meeting of the members, or (ii) after 90 days before the date of the annual meeting of the members, shall not be considered as a candidate for director. The Cooperative shall provide the members with notice of these requirements on its website, in its regular publication, and through such other means as established by the Board of Directors and/or the Cooperative. (c) The Secretary shall prepare and post on the Cooperative's website a list of nominations for the Board of Directors at least 45 days before the annual meeting of the members. (d) Members may not nominate an individual to be a candidate for the Board of Directors at the annual meeting or any special meeting. A vacancy on the Board of Directors will exist when no person is nominated as set forth in these By-Laws. A Board of Directors vacancy shall be filled by a majority vote of the members of the Board of Directors, provided the person selected meets all Director qualifications as set forth in these By-Laws. The person selected shall hold office until the next annual meeting of the members or until his successor has been elected and has qualified.

Section 23. Election and Term of Directors. At each annual meeting of the members three (3) Directors shall be elected to succeed the Directors whose terms of office shall then expire. The territory served by this Cooperative shall from time to time be divided by the Board of Directors into nine (9) districts.

Beginning in 2020, there shall be eight (8) districts for members from the area in which the Cooperative is the Incumbent Local Exchange Carrier ("ILEC") (the "ILEC Area") and one (1) district for members in the area in which the Cooperative is not the ILEC (the "Competitive District"). In 2020, the Director from the Competitive District shall be elected for a term expiring in the third year after election in place the Director from the district then numbered eight (8).

Beginning in 2020, the ILEC Area shall be divided by the Board of Directors into eight (8) districts which shall contain as nearly as practical equal numbers of members.

At the annual meeting of members in 2020, the Director from the Competitive District and directors from districts two (2) and five (5) from the ILEC Area shall be elected and serve for a three (3) year term. At the annual meeting of members in 2021, the Directors from districts three (3), six (6), and nine (9) from the ILEC Area shall be elected and serve for a three (3) year term. At the annual meeting of members in 2022, the Directors from districts one (1), four (4), and seven (7) from the ILEC Area shall be elected and serve for a three (3) year term. The election of Directors shall follow this three (3) year pattern on the same basis thereafter. Each of said Directors shall be so elected for a term expiring at the annual meeting of the members in the third year after

his election, but he shall hold office for the term for which he was so elected and until his successor is elected and has qualified, unless he is sooner removed from office.

If a vacancy occurs in the office of any Director, his successor shall be elected by the members at their next meeting, and such successor shall be so elected for the unexpired term of his predecessor. The members shall have the power at any annual meeting or at any special meeting, due notice of which has been given, to remove any Director for cause and to fill the vacancy caused by such removal.

Section ~~34~~. Place of Meeting of the Directors. Meetings of the Board of Directors may be held at such place as a majority of the members of the Board may from time to time appoint.

Section ~~45~~. Action of Directors Without Meeting. Any action which might be taken at a meeting of the Board of Directors may be taken without a meeting if done in writing, signed by all of the Directors.

Section ~~56~~. Vacancies. Vacancies in the Board of Directors unless caused by removal by the members may be filled by the remaining members of the Board, provided the person selected must reside in the district which his predecessor served; the person so appointed shall hold office until the next annual meeting of the members or until his successor has been elected and has qualified.

Section ~~67~~. Removal. Any Director of the Cooperative may be removed from office for cause by a majority vote of the members at any annual meeting or special meeting called for that purpose. At such meeting an opportunity shall be given such a Director to be heard in person. In case of the removal of a Director, the members shall elect another Director to fill the vacancy for the unexpired term at the same meeting at which the other Director was removed from his position.

Section ~~78~~. Executive Committee. The Board of Directors may by unanimous affirmative action of the entire Board, designate three (3) or more of their number to constitute an executive committee, which, to the extent determined by unanimous affirmative action of the entire Board, shall have and exercise the authority of the Board in the management of the business of the Cooperative. Any such executive committee shall act only in the interval between meetings of the Board and shall be subject at all times to the control and direction of the Board.

Section ~~89~~. Indemnification of Directors. Each Director of this Cooperative, whether or not then in office, shall be indemnified by this Cooperative on account of the reasonable costs and expenses (including counsel fees) incurred by him in connection with any action, suit or proceedings in which he may be made a party by reason of his being or having been a Director of this Cooperative, except in relation to matters as to which he shall finally be adjudged in such action, suit, or proceeding to have been derelict in the performance of his duties as such Director, and the foregoing right of

indemnification shall not be exclusive of other rights to which he may be entitled as a matter of law.

Section ~~9~~10. Rules and Regulations. The Board of Directors shall have authority from time to time to make, establish, and alter reasonable rules and regulations which they may deem necessary or convenient not inconsistent with law, the Articles of Incorporation and these By-Laws with respect to the use of the facilities and property of this Cooperative by subscribers and patrons, the furnishing of telephone and other services to the public and otherwise for the government of this Cooperative, the conduct of its affairs, the management of its property and business and the transfer of its shares.

Section ~~10~~11. Compensation of Directors. Each member of the Board of Directors shall be entitled to be reimbursed his necessary expenses incurred in the performance of his duties and to be paid a reasonable per diem and mileage for attendance at meetings and such other compensation as may be reasonable for his services as such Director. No member of the Board of Directors shall ever be paid any wage, salary, or other compensation for services rendered as an employee of this Cooperative while he is a Director, but this shall not be construed as forbidding the payment of a salary or other compensation for services rendered as an elective officer of this Cooperative.

Section ~~11~~12. Election of Officers. The Board of Directors as soon after the annual meeting of the members as may be practical shall elect by ballot from their members a President, a Vice President, a Secretary, and a Treasurer, and such other officers as they may deem necessary. Any officer may be removed by the Board of Directors with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. A vacancy in any office shall be filled by the Board of Directors.

Section ~~12~~13. Compensation of Officers. Each officer of this Cooperative shall be entitled to be reimbursed his necessary expenses incurred in the performance of his duties and to be paid a reasonable compensation to be determined by the Board of Directors for his services.

ARTICLE IV Duties and Powers of Directors

Section 1. Management of Business. The Board of Directors shall govern the business and other affairs of the Cooperative. They shall make all necessary rules and regulations that are not inconsistent with either the law or the Articles of Incorporation or the By-Laws. Such rules and regulations shall be established for the operation of the business, the guidance of the officers, the management of the Cooperative, and for any special agents of the Cooperative. The Board shall employ a Manager, determine his duties, his salary and other conditions of employment. They shall also have the power to dismiss the Manager.

Section 2. Employees. It shall be the policy of this Cooperative that no member of the Board of Directors or no person who is a brother, sister, son, daughter, father, mother, wife, or husband of any member of the Board of Directors shall be employed as a Manager.

Section 3. Bonds of Employees. The Board of Directors shall require the Manager and all officers, agents, and employees charged by the Cooperative for the custody of any of the funds or property to be adequately bonded. Such bonds shall be furnished by a bonding company, and the cost thereof shall be paid by the Cooperative.

Section 4. Audits. The Board of Directors shall require a report from the Manager and may examine the records of the Cooperative at the regular meeting and shall in addition have the books audited at least once a year by an independent and competent accountant. The annual audit shall be made between the dates of the close of the fiscal year and the date of the annual meeting, and a report of the audit shall be submitted at the annual meeting to the members. A copy of the report shall be available for inspection by any member attending such a meeting. The report shall contain at least a balance sheet showing the financial condition of the Cooperative at the close of the fiscal year, and an operating statement of receipts and expenses for the year, and such other data as may be desired by the Board of Directors. The Board of Directors shall have authority to have the books audited more frequently than once a year if they deem it advisable.

ARTICLE V Duties of Officers

Section 1. President. The President shall preside at all meetings or appoint a temporary Chairman. He may sign with the Secretary all notes, deeds, conveyances of real estate, bonds, and other instruments in writing in the name of this Cooperative.

Section 2. Vice President. In the absence or disability of the President, the Vice President shall perform the duties of the President.

Section 3. Secretary. The Secretary shall serve all notices required by law; keep a complete record of the meetings of the Cooperative and of the Board of Directors. He shall submit such secretarial reports at the annual and other meetings of the members as required by the Board of Directors. The Secretary shall sign with the President all notes, deeds, conveyances of real estate, bonds or other instruments in writing. If the Cooperative has a seal, then he shall affix the corporate seal to all documents requiring it. The Secretary shall perform such other duties as may be required of him by the Board of Directors or members of the Cooperative, and the Board of Directors may delegate some of the duties of the Secretary to an employee or employees of the Cooperative or to other competent persons.

Section 4. Treasurer. The Treasurer shall keep a complete record of all financial transactions of the Cooperative and perform such other duties pertaining to his office as may be required by the Board of Directors. He shall submit to the annual meeting of the members a financial report of the current year's business, and he shall submit other special reports as requested by the Board of Directors, and delegate responsibilities of the office to others approved by the Board of Directors.

Section 5. Manager. The Board may appoint a Manager who may be, but who shall not be required to be, a member of the Cooperative. The Manager shall perform such duties as the Board may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.

ARTICLE VI Membership Certificates

Section 1. There shall be no membership certificates issued by the Cooperative and membership in the Cooperative shall be evidenced by the purchase and payment of communications service from the Cooperative.

ARTICLE VII Non-Profit Operation

Section 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 members (also known and referred to in these By-Laws as "patrons"). No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

Section 2. Patronage Capital.

- (a) In the furnishing of communications 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 its patrons for all amounts received and receivable from the furnishing of telecommunications and information services in excess of operating costs and other expenses properly chargeable against the furnishing of such services; provided that no patronage shall be due with respect to the purchase of any communications service from the Cooperative that is resold by the purchaser or combined with other elements for use in providing a communications service to another person or entity. All such amounts received and receivable from the furnishing of telecommunications and information services which are in excess of operating costs and expenses for telecommunications and information services are understood to be furnished by the patrons as capital

which the Cooperative is obligated to pay by credits to a capital account for each patron. 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 patron 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 his account; provided, that individual notices 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 a clear explanation of how each patron may compute and determine the specific amounts 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 they 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 amount for capital.

- (b) All nonpatronage margins 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, the Board of Directors may, from time to time, either:
 - (1) allocate such nonpatronage margins (or a part thereof) to 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 of Directors; or
 - (2) use such nonpatronage margins (or a part thereof) to establish and maintain a nonpatronage margin reserve which is not allocated to patrons on a patronage basis (although the Board of Directors may, from time to time, allocate all or a portion of the nonpatronage margin reserve to patrons as provided in subsection (1) above).
- (c) 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.
- (d) If, at any time prior to the dissolution or liquidation, the Board of Directors 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. The Board of Directors shall determine the method, basis, priority and order of any such retirements.

- (e) Capital credited to the account of each patron 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 patron's premises served by the Cooperative unless the Board of Directors, acting under policies of general application, shall determine otherwise.
- (f) The Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, who was a natural person, 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 otherwise be retired under the provisions of these By-Laws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.
- (g) The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Cooperative and each patron and further, between all the patrons themselves individually. 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 By-Laws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE VIII Disposition of Property

Section 1. Disposition of Assets. Except as authorized by the members, the Board may not dispose of all or substantially all of the Cooperative's fixed assets. At any meeting, the members may authorize the disposition of all or substantially all of the Cooperative's fixed assets, if:

- (a) Notice of the meeting to consider the ~~that such~~ disposition of assets ~~will be considered at such meeting~~ has been given to all members ~~persons~~ entitled to vote thereon, and
- (b) such disposition has been approved by at least two-thirds of all eligible members entitled to vote thereon. ~~those voting at the meeting, provided, however, that a quorum for a meeting to consider disposition of property under this section shall consist of 5% of the members of the Cooperative.~~

Section 2. Issuance of Security for Indebtedness. The Board of Directors without authorization by the members of the Cooperative shall have full power and authority to secure payment of the Cooperative's debts by mortgaging any and all the Cooperative's rights, privileges, authority, franchises, revenues, and other property whether acquired or to be acquired and wherever situated upon all such terms and conditions as the Board shall determine.

ARTICLE IX Miscellaneous

Section 1. Contracts. Except as otherwise provided in these By-Laws, 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, and such authority may be general or confined to specific instances.

Section 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 in such manner as shall from time to time be determined by a resolution of the Board of Directors.

Section 3. Deposits. Funds of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such institutions, entities or organizations as the Board of Directors may direct.

Section 4. Fiscal Year. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the 31st day of December of the same year, until so changed by the Board of Directors.

Section 5. 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, to-wit: GARDEN VALLEY TELEPHONE COMPANY, ERSKINE, MINNESOTA.

Section 6. Indebtedness of Patrons. The Cooperative shall have a lien against all capital credits of a patron to the extent of the amount of indebtedness of a patron to the Cooperative.

ARTICLE X Amendments

Section 1. If any provisions of these By-Laws conflict with the provisions of the Articles of Incorporation of this Cooperative or any laws governing this Cooperative as now existing or as may hereafter be amended or enacted, then such conflicting

provisions of these By-Laws shall be deemed to be superceded by the provisions of said Articles or such laws.

Section 2. These By-Laws may be altered, amended, or repealed by the members at any meeting at which a quorum is present by a majority vote at said meeting, either in person or by mail, provided that the proposed resolution intended to effect such an amendment or repeal or adoption of the new By-Laws shall be set forth in the notice of such meeting.