

BYLAWS OF POWHATAN INTERNET COOPERATIVE

ARTICLE I MEMBERSHIP

SECTION 1. REQUIREMENTS FOR MEMBERSHIP

Any person, firm, association, corporation, body politic or subdivision thereof will become a member of Powhatan Internet Cooperative (hereinafter called the "Cooperative") upon receipt of broadband services from the Cooperative, provided that he or she has first:

- A. Executed a signed application for membership therein;
- B. Agreed to purchase from the Cooperative broadband services as hereinafter specified;
- C. Agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative, the Terms and Conditions, and any rules and regulations adopted by the Board of Directors, and
- D. Paid the membership fee hereinafter specified.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable except as provided herein.

SECTION 2. JOINT MEMBERSHIP

A joint membership can be held by no more than three persons.

All applications for membership will be considered as joint memberships only upon all signatures of the joint members appearing on the membership application and subject to their compliance with the requirements set forth in Section 1 of this Article. The term "Member" as used in these Bylaws shall include all persons holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply with respect to the holders of a joint membership. The conditions of a joint membership shall be as follows:

- A. The presence at the membership meeting of any or all shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting.
- B. The vote of any joint member separately or jointly shall constitute only one vote.
- C. A waiver of notice signed by any joint member shall constitute a joint waiver.
- D. Notice to any joint member shall constitute notice to all.
- E. Expulsion by the Cooperative of any joint member shall terminate the membership.
- F. Withdrawal of any joint member shall terminate the membership.

- G. Any one joint member may be elected or appointed as an officer or board member, provided that he or she meets the qualification for such office.
- H. Upon the death of any joint member, such membership shall be held solely by the survivor or jointly by the survivors.

SECTION 3. CONVERSION OF MEMBERSHIP

A membership may be converted to an individual membership upon the appropriate request of any member and subject to their compliance with the requirements set forth in Section 1 of this Article.

SECTION 4. MEMBERSHIP FEES

The membership fee shall be established from time to time by the Board of Directors, upon payment of which the member shall be eligible for broadband service..

SECTION 5. PURCHASE OF BROADBAND SERVICE

Each member shall, as soon as broadband services shall be available, purchase from the Cooperative broadband service used by the member, and shall pay therefore at the rates which shall be established from time to time by the Board. It is expressly understood that amounts paid for broadband services 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 in the Bylaws. Each member shall pay to the Cooperative a minimum charge regardless of the amount of broadband services consumed, as shall be fixed by the Board from time to time.

SECTION 6. TERMINATION OF MEMBERSHIP

- A. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe.
- B. The Board may, by the affirmative vote of not less than two-thirds of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules and regulations duly 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 (10) days after such notice was given. Any expelled member may be reinstated by a vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who for a period of six (6) months after service is available to him who has not purchased broadband services from the Cooperative, or a

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member who has ceased to purchase broadband services from the Cooperative may be cancelled by resolution of the Board.

- C. Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership shall not release a member of his estate from any debts due the Cooperative.
- D. Upon the termination of a membership, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided however, the Cooperative shall deduct from the amount of the membership fee the amount of any debts or obligations owed by the member to the Cooperative.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. PROPERTY INTEREST OF MEMBERS

Upon dissolution, after,

- A. All debts and liabilities of the Cooperative shall have been paid; and
- B. All Capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each bears to the total patronage of all members during the period of its existence.

SECTION 2. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE

The private property of the members shall be exempt from any liability for the debts of the Cooperative and no member shall be liable or responsible personally for any debts or liabilities of the Cooperative.

SECTION 3. MEMBER'S OBLIGATION TO THE COOPERATIVE

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation, the Bylaws, and the Membership Agreement shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and patrons are bound by such contract, as fully as though each patron has 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 in a conspicuous place in the Cooperative's office.

ARTICLE III MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING

The annual meeting of members shall be held during the months of August, September or October of each calendar year at such place at or near the Town of Powhatan, in the County of Powhatan, State of Virginia, or at such place in the State of Virginia, as the Board of Directors shall specify; which shall be designated in the notice of the meeting, for the purposes of electing directors, passing upon reports and transacting such other business as may properly come before the meeting. In the event any regular meeting of the members shall not be held during such months of August, September or October in any year, such meeting, when held upon some other date designated therefore by the Board of Directors, shall have the same force and effect as if held within such months. If the election of the directors required to be elected during such year be not held at any such regular annual meeting or at any adjournment thereof, the Board of Directors shall cause such election to be held at a special meeting of the members as soon thereafter as may be convenient. Failure to hold the annual meeting of members at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. SPECIAL MEETINGS OF MEMBERS

Special meetings of the membership may be called by at least three (3) directors or upon a written request signed by at least ten percent (10%) of all members and it shall be the duty of the Secretary to cause notice of such meetings to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Powhatan, in the State of Virginia, specified in the notice of such meeting.

SECTION 3. NOTICE OF MEETINGS

Written, printed, or electronic notice, stating the place, day and hour of the meeting and in case of a special meeting, or an annual meeting at which business other than that listed in Section 7 of Article III is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than fifty (50) days before the date of the meeting, either personally, by mail, or electronically; by or at the direction of the President or the Secretary, or by the persons calling the meeting, to each member entitled to vote at such meeting. 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. In case of a joint membership, notice given to either husband or wife shall be deemed notice to both.

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Notice of a members' meeting to act on an amendment of the Articles of Incorporation or on a plan of merger or consolidation or on the question of a sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, the property and assets of the Cooperative shall be delivered in the manner provided above, not less than twenty-five (25) nor more than fifty (50) days before the date of the meeting and in the form and manner as provided by the applicable laws of the State of Virginia.

SECTION 4. QUORUM

At least five percent (5%) of the total number of members, present in person or by proxy, shall constitute a quorum for the transaction of business at all meetings of the members. In case of joint membership, the presence at a meeting of either husband or wife, or both, shall be deemed as the presence of one member. If less than a quorum is present at any meeting, a majority of those present in person or by proxy, may adjourn the meeting from time to time without further notice. The minutes of each meeting of members shall contain a list of the members present in person or by proxy.

SECTION 5. VOTING

Each member shall be entitled to one (1) vote, and no more, on each matter submitted to a vote of the members. At all meetings of the members at which a quorum is present all questions shall be decided by the vote of a majority of the members voting thereon in person or by proxy, except as otherwise provided by law, the Certificate of Incorporation of the Cooperative, or these Bylaws. If a husband and wife hold a joint membership, they shall be jointly entitled to one (1) vote and no more upon each matter submitted to a vote of the members.

SECTION 6. PROXIES

At all meetings of members a member may vote by proxy executed in written, printed or typewritten or similar form, or any combination of same, bearing the signature of the member. Such proxy shall be delivered either by United States mail or in person and shall be required to reach the main office of the Cooperative at the town of Powhatan, State of Virginia, before 5:00 p.m. of the day immediately preceding the date of such meeting at which the same is to be voted. No proxy shall be voted at any meeting of the members unless it shall designate the particular meeting at which it is to be voted and no proxy shall be voted at any meeting other than the one designated or any adjournment of such meeting. No person shall vote as proxy for more than three (3) members upon the matter or question of the sale or lease of the property of the Cooperative. In connection with all other matters, the number of proxies that any person may vote shall be unlimited. No proxy shall be valid after ninety (90) days from the date of its execution. The presence of a

member at a meeting shall revoke a proxy previously executed by him and such member shall be entitled to vote at such meeting in the same manner and with the same effect as if he had not executed a proxy. In case of a joint membership, a proxy may be executed by either husband or wife. The presence of either husband or wife at a meeting of the members shall revoke a proxy theretofore executed by either of them and such joint member or members shall be entitled to vote at such meeting in the same manner and with the same effect as if proxy had not been executed.

SECTION 7. CREDENTIALS AND ELECTION COMMITTEE

Prior to any member meeting, the Board may appoint a Credentials and Election Member Committee ("C&E Committee") for the member meeting consisting of an uneven number of members between three (3) and nine (9).

- A. Members - A C&E Committee member may not be an existing, or a close relative of an existing Cooperative Director, officer, employee, representative, or agent or known Director candidate as allowed by the governing documents, and as determined by the Board. The Cooperative may reasonably compensate or reimburse C&E Committee members.
- B. Duties - Prior to the member meeting for which the C&E Committee was appointed, the C&E Committee shall:
 1. Elect a chairperson and secretary;
 2. Establish or approve the manner or method of member registration and voting;
 3. Oversee or supervise member registration and voting, and the tabulation of member votes; and
 4. Consider and decide all questions, issues, or disputes regarding:
 - a. Member registration and voting;
 - b. The tabulation of member votes;
 - c. Director nominations; and
 - d. Whether a Director Nominee or newly elected Director satisfies the Director qualifications.

The C&E Committee may meet, consider, or decide Member Meeting Issues, or otherwise act only if a majority of the C&E Committee members are present. Any C&E Committee decision or action requires a vote of at least a majority of the C&E Committee members present and voting. Unless properly challenged under this Bylaw, all C&E Committee decisions prior to, at, or within a reasonable time following a member meeting are final.

At the Cooperative's expense, the Cooperative shall make available legal counsel to the C&E Committee.

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C. Member Challenge - Any member may:

1. Comment upon a Member Meeting Issue; or
2. Challenge the C&E Committee's decision regarding a Member Meeting Issue by filing a written description of the member's comments or challenge with the Cooperative within three (3) business days following the Member Meeting.

Within thirty (30) days of receiving any Member Challenge, the C&E Committee shall:

1. As determined by the C&E Committee, meet and receive oral or written evidence from any member, or legal counsel representing any member, directly and substantially implicated in, or affected by, the Member Challenge; and
2. Consider, decide, and rule upon the Member Challenge.

The C&E Committee decision regarding any Member Challenge is final. Upon written request by any member received by the C&E Committee within thirty (30) days of a C&E Committee decision, the C&E Committee shall prepare a written report summarizing and explaining the C&E Committee's decision.

The failure of the Cooperative or C&E Committee to act as required by this Bylaw shall not by itself affect any vote, Director election, or other action taken at a Member Meeting.

SECTION 8. ORDER OF BUSINESS

The order of business at the annual meeting of the members and, so far possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

- A. Report on the number of members present in person and by proxy in order to determine the existence of a quorum.
- B. Reading of the notice of the meeting and proof of the due delivery thereof of the waiver or waivers of notice of the meeting as the case may be.
- C. Readings of unapproved minutes of previous meetings of members and the taking of necessary action thereon.
- D. Presentation and consideration of reports of officers, directors and committees.
- E. Election of directors.
- F. Unfinished business.
- G. New business.

H. Adjournment.

ARTICLE IV DIRECTORS

SECTION 1. NUMBER AND POWERS

The business and affairs of the Cooperative shall be managed by a Board of five (5) directors which shall exercise all of the powers of the Cooperative except such as are by law, by the Articles of Incorporation or by these Bylaws conferred upon or reserved to the members. Subject to the above limitations, the Board of Directors shall have the power to make and adopt such rules and regulations as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative.

SECTION 2. TERRITORIAL DISTRICTS

The territory served by the Cooperative shall be divided into five districts matching that of Powhatan County's Electoral Districts. Each district shall be represented by one director. The territorial composition of such districts shall be determined by the Board of Directors.

SECTION 3. ELECTION AND TENURE

A. All directors shall be elected by and from the members and such directors shall serve until their successor shall have been elected and qualified. At each annual meeting of the members, one-third of the directors shall be elected only to represent those districts for which the terms of office are currently expiring, as established by previous Bylaws. All directors shall be elected for a term of three (3) years.

B. Elections of directors shall be by vote of the entire membership present and eligible to vote; and when there shall have been two or more nominations made and received as aforesaid for any one district not less than twenty-five (25) days before the date of the members' meeting, official ballots shall be prepared by or at the direction of the Secretary, containing the names of all candidates so nominated identifying the incumbent and challengers and bearing the official seal of the Cooperative.

C. In the event there shall be only one (1) nomination made and received by twenty-five (25) days prior to such members' meeting for each district, it shall be discretionary with the Secretary whether or not to prepare such official ballot.

D. Each member of the Cooperative present at the meeting shall be entitled to vote for one candidate from each district. The candidate from each district for which a director is to be elected at this meeting receiving the highest number of votes shall be elected as director. If a tie occurs, the same shall be broken by the drawing of lots.

SECTION 4. QUALIFICATIONS

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All candidates for election to the Board of Directors of Powhatan Internet Cooperative will complete the Director Candidate Questionnaire as adopted and amended from time to time by the Board of Directors, prior to their candidacy being considered by the Cooperative. No person shall be eligible to become or remain a director unless he or she is a member in good standing of the Cooperative and a bona fide resident for the prior 12 consecutive months in the territorial district from which he or she is elected. He or she must have received broadband service(s) for the prior twelve (12) consecutive months from the Cooperative at their primary residential abode or business location. No person nor that person's spouse shall be eligible to become a director who has been an employee of Powhatan Internet Cooperative within five (5) years of the date of that individual's prospective election to the Board of Directors. No person shall be eligible to become or remain a director who is in any way employed by or has financial interest in a competing enterprise or business. To be eligible to become or remain a director of the Cooperative, that individual, in addition to the above, must:

- A. Be a citizen of the United States.
- B. Have the capacity to enter into legally binding contracts.
- C. Not have been convicted of a felony.
- D. Not have been convicted of a misdemeanor within the past 10 years evidencing moral turpitude, such as lying, cheating, or stealing.
- E. Be educationally able and willing to actively participate in the management of the business and affairs of the Cooperative.
- F. Not make any material misrepresentations of fact to the members or other directors in the process of the director's election or appointment to the office, including statements made on the Director Candidate Questionnaire.
- G. Not have been found by a Court to have breached a duty as director.
- H. Must have attended all the required meetings as specified in Board policy.

Any director who cannot comply with Article IV, Sections A through G above, will lose eligibility to serve as a director.

All Directors are expected to demonstrate an understanding of and acceptance of the Cooperative's Mission Statements.

All Directors must embrace and ensure:

Integrity – Be honest, open, and fair minded in the conduct of all Cooperative matters.

Safety – Regard safety of employees, members, and the public as a primary objective in all policy and business decisions.

Reliability – Anticipate and mitigate risks that might cause or prolong interruption of broadband services.

Affordability – Provide the lowest cost broadband services consistent with safety, reliability and responsible environmental stewardship, while anticipating and mitigating risks that might threaten the financial health of the Association.

Service – Reflect respect for members in all policies and member relations and maximize member service consistent with safety, reliability and affordability.

Community – Support member communities through policies and business decisions that sustain and enhance local economic vitality and quality of life.

All Directors are expected to support the Seven Cooperative Principles:

- A. Voluntary and Open Membership
- B. Democratic Member Control
- C. Member's Economic Participation
- D. Autonomy and Independence
- E. Education, Training, and Information
- F. Cooperation Among Cooperatives
- G. Concern for Community

All Directors are expected to make a meaningful contribution to carrying out the function of a Director, including:

- A. Demonstrating a willingness and ability to give the time to attend meetings necessary to provide the background information and knowledge needed to make informed choices on the complex matters coming before a rural telecommunications cooperative board, including:
 1. Meetings of the Board and its committees;
 2. State and National Association meetings;
 3. Director updates and other training programs;
 4. Meetings of related organizations as required; and
 5. Any orientation programs provided by the Cooperative.
- B. Studying data and other information presented to the Board to keep informed and prepared for Board discussions and deliberations and to be able to answer questions raised by the Members.
- C. Participating in Board meetings by raising pertinent and discerning questions and by contributing ideas and suggestions.
- D. Supporting the decisions and actions of the Board outside the boardroom, once arrived at, by action of the majority of the Board.
- E. Representing the total cooperative membership on an impartial basis, not just those in his or her district.
- F. Contributing to obtaining increased member and public understanding and support of the cooperative and the rural broadband program and being sensitive to their concerns and attitudes and encouraging meaningful membership involvement.

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G. Becoming skilled in questioning the results achieved in certain key performance areas and in interpreting Operating and Financial Reports.

H. Providing leadership to meet the changing needs of the membership and to improve the quality of rural living.

I. Developing and demonstrating by his or her actions the following personal characteristics:

1. Board leadership in his or her community;
2. The highest integrity and the respect in the community;
3. Sound judgment and ability to reason logically and clearly; and
4. Maturity and understanding of others, their problems, and viewpoints

SECTION 5. NOMINATIONS

A. Any thirty (30) members residing in any territorial district for which a director is currently to be elected may make nominations by petition. The nominations by petition shall be filed with the Secretary of the Cooperative not less than sixty (60) days before the meeting of members at which directors are to be elected. Such nominees duly nominated as aforesaid shall have their names included on the official ballot.

B. Not less than ten (10) days before any meeting of the members at which directors are to be elected, the Secretary of the Cooperative shall mail or cause to be mailed to each member a list of the candidates selected by petition. This list may be included with the notice of the meeting. At the meeting, the Secretary shall place in nomination the names of the candidates so nominated from each district. No additional nominations for director for a particular district may be made from the floor.

SECTION 6. REMOVAL OF BOARD MEMBERS BY MEMBERS

Any member may bring charges for cause against a director and, by filing with the Secretary a written statement of the specifics of each charge, together with a petition signed by at least five percent (5%) of the Cooperative's members, may request the removal of such director 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 considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the member or members bringing the charges against him shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with

respect to the nominations. Any director so elected by the members shall be from the same territorial district as was the director whose office he succeeds and he shall serve for the unexpired term of this predecessor in office.

SECTION 7. VACANCIES

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining directors. A director thus elected shall serve out the unexpired term of the director whose office was originally vacated and until his successor is elected and qualified. The member elected as director to fill the vacancy must reside in the same district as the director to whose office he succeeds.

SECTION 8. COMPENSATION

For their service as such, directors shall receive such compensation, as is fixed by resolution of the Board of Directors. For the performance of their duties, directors shall also receive advancement or reimbursement of any travel and out-of-pocket expenses actually, necessarily and reasonably incurred, in accordance with the Cooperative's established policies. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director receive compensation for serving the Cooperative, unless the payment and the amount of such compensation shall be specifically authorized by the Board 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 in its fiscal affairs, may be compensated in such amount as shall be fixed and authorized in advance of such service by the remaining directors.

ARTICLE V MEETINGS OF DIRECTORS

SECTION 1. REGULAR MEETINGS

A regular meeting of the Board of Directors shall be held without notice other than this Bylaw immediately after, and at the same place, as the annual meeting for members. A regular meeting of the Board of Directors shall also be held monthly at such time and place in Powhatan County, Virginia or such other place as the Board shall direct, as the Board of Directors may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. SPECIAL MEETINGS

Special meetings of the Board of Directors may be called by the Chairman or by any three (3) directors. The

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person or persons calling special meetings of the Board may fix the time and place, which shall be Powhatan County, Virginia, or such other County in the State of Virginia in which the Cooperative has a service area. If all directors shall sign a waiver of notice, special meetings may be held outside of the Cooperative's service area and outside the State of Virginia.

SECTION 3. NOTICE

Notice of the time, place, and purpose of any special meeting of the Board of Directors shall be given by written notice at least three (3) days previous thereto, delivered personally, mailed to each director at his last known address, or delivered electronically. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting unless a director shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.

SECTION 4. QUORUM

A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. If less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

SECTION 5. MANNER OF ACTING

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise provided in the Bylaws.

ARTICLE VI OFFICERS

SECTION 1. NUMBER

The officers of the Cooperative shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers, including an Assistant Secretary and Assistant Treasurer, as may be determined by the Board from time to time. The office of Secretary and Treasurer may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE

The officers shall be elected by ballot, annually by and from the Board at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such

election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 3. REMOVAL OF OFFICERS AND AGENTS BY THE 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.

SECTION 4. CHAIRMAN

The Chairman shall:

A. Be the principal executive officer of the Board 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, certificates of membership, the issue of which shall have been authorized by the Board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed except in cases 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 Chairman and such other duties as may be prescribed by the Board from time to time.

SECTION 5. VICE CHAIRMAN

In the absence of the Chairman, or in the event of his inability or refusal to act, the Vice Chairman shall perform the duties of the Chairman, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chairman. The Vice Chairman shall also perform such other duties as from time to time may be assigned him by the Board.

SECTION 6. SECRETARY

The Secretary shall be responsible for:

A. Keeping the minutes of the meetings of the members and of the Board in 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 affixing the seal of the Cooperative to all certificates of membership prior to

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the issue thereof, and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with provisions of these Bylaws;

D. Keeping a register of the names and post office addresses of all members;

E. Signing, with the Chairman, certificates of membership, the issue of which shall have been authorized by the Board or the members;

F. 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 any member upon request; and

G. In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

SECTION 7. 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 or investment of all monies in the name of the Cooperative in such bank or other such financial securities or institutions 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 from time to time may be assigned to him by the Board.

SECTION 7-A. DELEGATION OF SECRETARY'S AND TREASURER'S RESPONSIBILITIES

Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer herein before provided in Section 6 and 7, the Board of Directors, by resolution, may except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for the regular or routine administration of one or more such officers duties to one or more agents, other officers or employees of the Cooperative who are not directors. To the extent that the Board does so delegate with respect to either such officer, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 8. PRESIDENT AND CHIEF EXECUTIVE OFFICER (CEO)

The Board may appoint a President and CEO who shall be required to be a member of the Cooperative. The President and CEO shall be the principal executive officer of the Cooperative. The President and CEO shall perform such

duties and shall exercise such authority as the Board may from time to time vest in him.

SECTION 9. BONDS OF OFFICES

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 or insured in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to be bonded or insured in such amount and with such surety as it shall determine.

SECTION 10. 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 relative of a board member.

SECTION 11. REPORTS

The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED

The Cooperative shall at all times operate on a Cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING BROADBAND SERVICES

In the furnishing of broadband services, the Cooperative's operations shall be so conducted that all patrons and members 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 an annual basis to all its patrons and members for all amounts received and receivable from the furnishing of broadband services in excess of operating costs and expenses properly chargeable against the furnishing of broadband 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 and members as capital. The Cooperative is obligated to pay by

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credits to a capital account for each patron 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 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. Any and all capital credits which are credited to the account of Powhatan Internet Cooperative by reason of its membership in other cooperatives and associated organizations shall be separately assigned and credited on a pro-rata basis to the aforesaid capital accounts of the patrons and the Cooperative may within a reasonable time after the close of the fiscal year notify each patron of the separate amount of capital allocated from any such other cooperative or associated organization and thereafter credited to his account.

All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by laws, be (A) used to offset any losses incurred during the current or any prior fiscal year and (B) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

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 the patrons' accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of making such retirements.

The Board of Directors shall also have the power, exercisable in its sole discretion, to retire all or a portion of the capital credits of patrons prior to the time such capital would otherwise be retired under the provision of these bylaws or the policies of the Board of Directors, on a discounted and fair value basis, upon such terms and conditions as the Board shall adopt and provided further that the acceptance of payment in retirement of capital credits on a discounted and fair basis shall be voluntary and not mandatory for patrons. The Cooperative shall deduct and retain from such payment to a patron all monies owed by such patron to the Cooperative at any time together with accrued interest on such owed amount. The discounted portion of the capital credit of a patron, which is not paid to such patrons, shall be reassigned to all other patrons on an equitable basis.

If the board in its sole discretion shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited separately to the

patrons' accounts from capital credits received from other cooperatives or associated organizations shall be retired and paid to the patrons in full when such capital credits are retired and paid to the Cooperative by the other cooperatives and associated organizations.

Notwithstanding any other provision of these Bylaws, the Board at its discretion, shall have the power at any time upon the death of any patron, (natural person) if the legal representatives of the estate shall request in writing that the capital credited to such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board shall have established provided, however, that the financial condition of the Cooperative will not be impaired thereby and provided that the method for early retirement, i.e., discounted capital credits, is non-discriminatory and uniformly applied.

SECTION 3. UNCLAIMED PATRONAGE CAPITAL (CAPITAL CREDITS)

Notwithstanding any other provisions of the Bylaws or other provisions of the membership certificate, if any patron fails to claim a cash retirement of capital credits or other payments from the Cooperative within one (1) year after payment of the same has been available to him by notice, or check, mailed by first-class mail, postage prepaid, to him at the last address furnished by him to the Cooperative, such failure shall be, and constitute an irrevocable assignment and gift by such patron of such capital credit or other payment to the Cooperative.

Payment shall have been deemed made available to such patron upon the date of mailing of such notice or check. The failure to claim any such payment within the meaning of this section shall include the failure by such patron or former patron to cash any check mailed to him by the Cooperative at the last address furnished by him to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of one (1) year from the date when such payment was made available without claim. The Cooperative shall publish notice of such credit in its regular member publication and a publication of general circulation. After expiration of one hundred twenty (120) days following the giving of notice by publication and unless such payment is claimed within said one hundred twenty (120) day period, such gift to the Cooperative shall become effective.

SECTION 4. PATRONAGE REFUNDS IN CONNECTION WITH FURNISHING OTHER SERVICES

In the event the Cooperative should engage in the business of furnishing goods or services other than broadband services, all amounts received therefrom which are in excess of costs properly chargeable against the furnishing of such goods or services, shall, insofar as

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permitted by law, be prorated on a patronage basis and returned to those patrons, members and non-members alike, from whom such amounts were obtained.

**ARTICLE VIII
DISPOSITION OF PROPERTY**

The Cooperative may not sell, exchange, lease or otherwise dispose of any of its property other than:

A. Property which in the judgment of the Board of Directors neither is nor will be necessary or useful in operating and maintaining the system and facilities of the Cooperative; provided, however, that all sales of such property shall not, in any one (1) year exceed in value ten percent (10%) of the value of all the property of the Cooperative.

B. Any sale of more than ten percent (10%) of the value of all the property of the Cooperative shall not occur unless such sale, exchange, lease or other disposition is authorized at a meeting of the members by the affirmative vote of at least a two-third (2/3) majority of all of the members, and the notice of such proposed sale, lease or other disposition shall have been contained in the notice of the meeting.

C. No sale, lease, lease-sale, exchange or other disposition of all or a substantial portion of the Cooperative's assets to any other entity shall be authorized except in conformity with paragraph (B) above and with the following:

1. If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange or other disposition, it shall first obtain an independent appraisal as to the value of the Cooperative with respect to such a sale, lease, lease-sale, exchange or other disposition and as to any other terms and conditions which should be considered.

2. If the Board of Directors, after receiving such appraisal, determines that the proposal should be submitted for consideration by the members, it shall first give every other broadband or telecommunications cooperative with same broadband services (which has not made such an offer for such sale, lease, lease-sale, exchange or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such other cooperatives, which notice shall be attached to a copy of the proposal which the Cooperative has already received and a copy of the appraisal. Such other cooperatives shall be given not less than sixty (60) days during which to submit competing proposal, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice to them.

3. If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof, which meeting shall be held within sixty (60) days after giving of such notice to the members: provided, that consideration thereof by the members may be given at the next annual meeting, if the Board so determines and if such annual meeting is held within sixty (60) days after the giving of such notice.

4. Any one hundred (100) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Cooperative, with the cost to be borne by the Cooperative, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The foregoing provisions shall not apply to a sale, lease, lease-sale, exchange or other disposition to one or more other such cooperatives if the substantive effect thereof is to merge or consolidate with such other one or more cooperatives.

The provisions of this article shall not limit the Board of Directors' ability to mortgage the Cooperative assets to the Rural Utilities Service and/or any other Cooperative financing organization for the purpose of loan funds to be used in the expansion of the system.

**ARTICLE IX
SEAL**

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal Virginia."

**ARTICLE X
FINANCIAL TRANSACTIONS**

SECTION 1. 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, and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC.

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All checks, drafts or other orders for the payment of money, and notes, bonds or other evidence of indebtedness issued in the name of the Cooperative shall be signed and/or countersigned by such officer or agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

SECTION 3. DEPOSITS

All funds, except petty cash, of the Cooperative shall be deposited or invested from time to time to the credit of the Cooperative in such bank or banks or in such financial securities or institutions as the Board may select.

SECTION 4. CHANGE IN RATES

Written notice shall be given to the members not less than ninety (90) days prior to the date upon which any proposed change in the rates charged by the Cooperative for broadband services becomes effective.

SECTION 5. 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 1. MEMBERSHIP IN OTHER ORGANIZATIONS

The directors shall have full power and authority to authorize the Cooperative to purchase stock in or to become a member of any corporation, cooperative or other organization whose purposes are related to the functions and purposes of this Cooperative.

SECTION 2. WAIVER OF NOTICE

Any member or board member may waive in writing any notice of a meeting required to be given by 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 3. POLICIES, RULES AND REGULATIONS

The Board shall have power to make and adopt such policies, 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 4. ACCOUNTING SYSTEM AND REPORTS

The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting systems as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board shall also after the close of each fiscal year cause to be made by a certified public accountant a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

SECTION 5. AREA COVERAGE

The Board shall make diligent effort to see that broadband service is extended to all unserved persons within the Cooperative service area who (A) desire such service and (B) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. SUBSCRIPTION TO CURRENT PUBLICATIONS

The Board of Directors shall be empowered on behalf of and for circulation to the individual members of the Cooperative to subscribe to certain publications as shall be set from time to time by the Board of Directors, and such subscriptions shall be paid for each member by the Cooperative from any funds accruing in favor of each member so as to reduce such funds in the same manner as would any other expense of the Cooperative.

There are currently no subscriptions to publications.

ARTICLE XII AMENDMENTS

These Bylaws may be adopted, amended or repealed by the affirmative vote of a majority of members present at a member meeting or a majority of the Board of Directors, either in person or by proxy.

A. To be considered at a member meeting, any proposed Bylaw amendment must be:

1. Sponsored by, and accompanied by a dated petition containing the printed name, address, and signature of the sponsor;

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2. Delivered to, and received by, the Cooperative at least one hundred (100) days prior to the member meeting at which the members will consider the proposed bylaw amendment;

3. After review by the Board, determined lawful and approved by the Board for member consideration; and

4. Not altered or modified after delivery to the Cooperative.

B. Board recommendation. The Board may state its position for or against the proposed member sponsored amendment.

C. Notice of Bylaw Amendment. Notice of any member meeting or board meeting at which members of the Board will consider a proposed bylaw amendment must:

1. State that the purpose, or one of the purposes, of the Board meeting or member meeting is to consider the proposed bylaw amendment, and

2. Contain, or be accompanied by, a copy of the proposed bylaw amendment.

D. Notwithstanding the above, no amendment to Article VIII of these Bylaws (Disposition of Property) can be made by the Board of Directors alone, but the same must be submitted to the membership.

NOTES