

Welcome to New Hope

This letter is to provide you with some information regarding your New Hope Telephone Cooperative service.

When you fill out your application, please be aware that only persons named on the account will be able to have access to information pertaining to it. Since we are a cooperative, only the person(s) who sign(s) the application will be able to claim any patronage allocations.

If you wish to authorize other people to manage and receive information on your account, you may do so by filling out an authorization card. They are available in our business office. One can be mailed to you upon your request.

Our local calling area is Staunton, New Hope, Weyers Cave and Grottoes. The average local phone charges without any added calling features are about \$25.00 per month.

We require either a \$75.00 deposit or an acceptable payment history for the past year from another utility.

Calls to a Waynesboro exchange (see page 9 of the Lumos phone book) can be dialed as a local call, but do incur EXTRA charges. We offer 3 calling plans to Waynesboro as listed below. If you do not choose a Waynesboro calling plan, the system will automatically assign you to the economy plan. These charges apply for calls made to cell phones and landlines to Waynesboro exchanges.

- Economy No monthly fee and 10¢ per minute
- Value \$2.30 per month and 5¢ per minute
- Premium \$14.80 per month for unlimited calling

New Hope Telephone also provides High speed DSL service. For details see the Internet/DSL section in this packet or call our business office at 540-363-5277.

If you plan to have dial-up internet access, you should request a local dial-up number from your provider. As you probably know, a non-local dial up can incur hundreds of dollars in charges before the customer is aware that anything is wrong. Once charges are incurred we cannot remove them.

A list of long distance carriers and their contact numbers is included with this packet. It is your responsibility to contact a carrier and set up billing arrangements with them. They, in turn, will fax an order to us so that we can set up your long distance. They will send you a separate bill.

Finally, we bill in advance, so when you get your first bill you will see partial charges for this month and charges for next month billed in advance.

If you have any questions regarding any of this information, please contact our business office at (540) 363-5277. Business office hours are 8:00 AM to noon and 1-4:30 PM Monday through Friday. For after hours emergencies please dial 540-363-6277 to reach our answering service.

RECURRING MONTHLY CHARGES

Line Charge	\$	22.75
Rights-of-way Fee		1.11
E-911 Tax		0.75
Interstate Access Charge		6.50

MOST UTILIZED SERVICE CHARGES

	\$	75.00
New Installation *		75.00
Installation (pre-existing service) *		10.00
Cooperative Membership *		5.00
Service Order Changes (after service is established)		10.00
Telephone Number Change		15.00
Service Call (if problem is inside)		30.00
Labor Charges per half hour (Materials are extra)		25.00

* Billed on first bill (if applicable)



Long Distance Service

Currently New Hope Telephone Cooperative does not offer long distance service. Several long distance carriers have contracted with us to provide service to our customers. You may contact the carriers shown below.

Carrier	Service	Phone Number
AT&T	Residential	(888)795-2717
	Business	(800)222-0400
	Hearing Impaired	(800)833-3232
CenturyLink	Residential	(800)860-2255
	Business	
Citizens Tele-com	Residential	(800)726-3539
	Business	
Comtel	Residential	(800)875-9235
	Business	
Level3	Residential	(800)829-0420
Lifeline Communications	Residential	(800)311-2728
	Business	
Lingo Networks	Residential	(877)745-4646
	Business	
MCI	Residential	(800)444-3333
	Business	(800)888-0800
MGW	Residential	(877)579-9572
	Business	
Pioneer Telephone	Residential	(866)492-6878
	Business	
Verizon	Residential	(800)837-4966
	Business	
Worldcom	Residential	(800)444-3333
	Business	(800)888-0800



Residential Telephone Service Application

Office use only section with fields for Username, Deposit/Credit Letter, Number Assigned, Date to Install, Password, and Previous Phone.

Last Name First Name

Mailing Address

Street Address

Address Address City ST Zip Code City ST Zip Code

Current Phone Number Cell Phone Number

SSN Driver's License # Date of Birth (M/D/Y)

Spouse Cell Phone # Spouse Date of Birth (M/D/Y)

Spouse SSN Spouse Driver's License #

Employer name Occupation Phone #

Employer Address Street City State Zip Code

Spouse Employer Occupation Phone #

Spouse Employer Address Street City State Zip Code

Do you want your name and number listed in the directory? YES (free) NO (\$1.25/month)

How listed? Name Address

Do you want your number available through Directory Assistance? YES (free) NO (\$1.50/month for non pub)

Please add: CALL FORWARDING (\$1.50/month) CALL WAITING and CALLERID are included (no charge)

Please be aware that payments are due by the 24th of each month. Payments received after the 24th will result in a 1.5% late fee per month (which is an annual percentage rate of 18%).

In addition, payments not received within 45 days of bill date will result in disconnection of your service. If your service is disconnected, you will be responsible to pay the amount owed plus a \$25.00 reconnection fee and a \$75.00 deposit.

If payment has not been made within 15 days of disconnection, the account will be considered delinquent. In the event this account becomes delinquent, the customer shall pay all of the attorney fees and costs associated with collection of the account plus all attendant collection fees whether litigation is initiated or not. Information on this application may be used for collection purposes by us or an agency with which we have contracted including but not limited to collection attempts made to your cell phone.

By signing below, you are indicating that you have read, understood and agreed to the information provided.

Signature Spouse's Signature Date

NEW HOPE TELEPHONE COOPERATIVE DOES NOT DISCRIMINATE AGAINST APPLICANTS ON THE BASIS OF SEX, MARITAL STATUS, AGE (EXCEPT UNDER AGE 18), RACE, NATIONAL ORIGIN OR RELIGION. (THE FEDERAL AGENCY WHICH ADMINISTERS COMPLIANCE WITH THIS LAW IS THE EQUAL CREDIT OPPORTUNITY, FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580)



**Business Telephone
Service Application**

- For Office Use Only -

Username (If applicable) _____ Previous Phone _____

Deposit/Credit Letter collected _____

Number Assigned (540)363-_____ Long Distance _____

Date to Install _____ Waynesboro Plan _____

Password _____

- For Office Use Only -

Company Name _____

Company Representative

Last Name

First Name

Title

Mailing Address

Street Address

Address

Address

City

ST

Zip Code

City

ST

Zip Code

Current Phone Number _____ Cell Phone Number _____

Federal ID # _____ - _____ Company Start Date (M/D/Y) ____/____/____ State of Organization _____

Type of Organization

- Corporation
- Limited Liability Partnership
- Limited Liability Company
- Sole Proprietorship
- Partnership
- Unincorporated Association

Do you want the business name and number listed in the directory? YES (free) NO (\$1.25/month)
How listed? Name _____ Address _____

Do you want your number available through Directory Assistance? YES (free) NO (\$1.50/month for non pub)

Please add: CALLER ID(\$6.00/month) CALL WAITING (\$2.25/month) CALL FORWARDING (Included no charge)
(Please ask the customer service representative for a complete listing of calling features and pricing)

If you would like DSL service please fill out a DSL application, also.

Please be aware that payments are due by the 24th of each month. Payments received after the 24th will result in a 1.5% late fee per month (which is an annual percentage rate of 18%).

In addition, payments not received within 45 days of bill date will result in disconnection of your service. If your service is disconnected, you will be responsible to pay the amount owed plus a \$25.00 reconnection fee and a \$75.00 deposit.

If payment has not been made within 15 days of disconnection, the account will be considered delinquent. In the event this account becomes delinquent, the customer shall pay all of the attorney fees and costs associated with collection of the account plus all attendant collection fees whether litigation is initiated or not. Information on this application may be used for collection purposes by us or an agency with which we have contracted including but not limited to collection attempts made to your cell phone.

By signing below, you are indicating that you have read, understood and agreed to the information provided and execute this agreement in your agency capacity for the entity or business named above.

Signature

Date

Spouse Signature (if Sole Proprietorship)

Date

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Internet/DSL Application

– For Office Use Only –

Installation	Disconnect
Date of Service _____	Date of Disconnect _____
Entered User Mngt. _____	Removed from Billing _____
Modem Purchased _____	Modem buy-back _____
Surge Prot. Purchased _____	Other _____
Filters Out _____	

– For Office Use Only –

Last Name	First Name			
Address				
Address	Email Address (Current/Existing)			
City	ST	Zip Code	Home Phone Number	Cell Phone Number

Select Your Plan

- Tier 1 – 768k Download/384k Upload (\$35.00/Month)
 - Tier 2 – 1.5M Download/768k Upload (\$44.00/Month)
 - Tier 3 – 3.0M Download/1.0M Upload (\$53.00/Month)
 - Tier 4 – 4.5M Download/1.0M Upload (\$58.00/Month)*
 - Tier 5 – 6.0M Download/1.0M Upload (\$63.00/Month)*
 - Tier 6 – 10.0M Download/1.0M Upload (\$75.00/Month)*
 - Tier 7 – 15.0M Download/1.0M Upload (\$90.00/Month)*
 - Comtrend AR5319 Modem/Wireless Router (\$83.58)
 - Surge Protector (\$21.55)
- * May not be available in all areas

Account Information

@newhopetel.net	
Username (Up to 20 characters, lowercase)*	Password (6 to 14 characters, case specific)

* Your username is appended with "@newhopetel.net" and becomes the main email address for the account. Regardless of whether or not you plan to use this email address it is required for authentication on our server.

Additional Email Accounts

Username _____	Username _____	Username _____	Username _____
Password _____	Password _____	Password _____	Password _____

* Your service includes five total email addresses. You may purchase additional email addresses for \$1.00 per month.

Network/Wireless Information

WAN Service Type: PPPoE Bridging

SSID _____ **Security Key** _____

All commitments are for one year. If you terminate your service after the first 30 days or it is terminated for non-payment, before the one year is complete, you will be billed an early termination fee of \$185.00 or the amount owed on the remainder of your commitment, whichever is less. The amount owed on the remainder of your commitment is calculated by taking the number of months of service you have left in your commitment and multiplying it by the monthly DSL price.

When connected to the Internet, your computer is susceptible to security attacks from other users on the Internet. New Hope Telephone Cooperative (NHTC) is not liable for any such attacks. Our modems have firewall capabilities. NHTC highly recommends the use of additional firewall and/or other security devices to secure internet connections from intruders and viruses. You are urged to purchase an NHTC provided modem, no support is offered for other modems. Actual connection speed may vary due to various factors including network congestion and distance from NHTC's facilities, quality of customer equipment (wireless routers, PC, wiring etc.) thus actual connection speed cannot be guaranteed. Surge protectors are available for purchase from NHTC. NHTC is not responsible for any customer loss due to lightning or other acts of nature. Modems purchased from NHTC are the customer's property and are not the responsibility of NHTC. The customer is responsible for any replacement costs should a new modem be needed. In addition, NHTC reserves the right to charge a service fee to deliver the modem or other equipment to the customer's premise. Two DSL filters are provided at no charge, additional filters may be purchased. DSL service is provided only to members of NHTC with Local Telephone service. NHTC is responsible for providing DSL service to your location. NHTC is not responsible for configuring customer owned equipment such as PC's, network routers, etc., although limited support may be offered. NHTC is not responsible for problems arising in customer's computer equipment during installation or maintenance of DSL service by NHTC personnel.

Payments are due by the 24th of each month. Payments received after the 24th will result in a 1.5% late fee per month (an annual percentage rate of 18%). In addition, payments not received within 45 days of bill date will result in disconnection of your service. If your service is disconnected, you will be responsible to pay the amount owed plus a \$25.00 reconnection fee and a \$75.00 deposit.

If payment has not been made within 15 days of disconnection, the account will be considered delinquent. If the account becomes delinquent, the customer shall pay all attorney fees and costs associated with collection of the account plus all attendant collection fees whether litigation is initiated or not. Information on this application may be used for collection purposes by us or an agency with which we have contracted including but not limited to collection attempts made to your cell phone.

By signing below, you are indicating that you have read, understood and agreed to the information provided above and that you agree to abide by the Acceptable Use Policy and Internet Rules and Regulations Policy.

Signature	Spouse's Signature	Date
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NEW HOPE TELEPHONE COOPERATIVE DOES NOT DISCRIMINATE AGAINST APPLICANTS ON THE BASIS OF SEX, MARITAL STATUS, AGE (EXCEPT UNDER AGE 18), RACE, NATIONAL ORIGIN OR RELIGION. (THE FEDERAL AGENCY WHICH ADMINISTERS COMPLIANCE WITH THIS LAW IS THE EQUAL CREDIT OPPORTUNITY, FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580)

New Hope Telephone Cooperative

Acceptable Use Policy

You may use your New Hope Telephone Internet account for communications, research, public relations, education, and entertainment. This statement describes certain uses which are consistent with the purposes of New Hope Telephone and the Internet. It is not intended to exhaustively list all such possible uses or abuses. We expect our subscribers to respect the culture and civility of communication and discourse on or through the Internet. We expect our subscribers to maintain respect for privacy, legal issues, and courtesy to other Internet users and network resources.

Ethical Guidelines

We expect you to:

- Obey all federal and state laws regarding your use of the Internet and information obtained or transmitted through the Internet
- Respect the ownership of information including copyright and license agreements
- Be courteous in your use of the Internet and network resources
- Respect the opinions of others and their right to voice those opinions
- Respect the culture and civility of communication and discourse on or through the Internet

Legal Issues

You may not use New Hope Telephone Internet Service:

- For any purpose which violates US federal or state law
- To interfere with or disrupt network users, services or equipment including distributing unsolicited advertising, propagating computer worms or viruses, and using the network to make unauthorized entry to other computational, information, or communications devices or resources
- To transmit threatening, obscene, or harassing materials

Network Integrity & Efficiency

You may not use your internet account:

- In a manner that precludes or significantly hampers its use by others
- To send messages likely to result in the loss of recipients' work or systems
- To send or respond to "chain letters"
- To broadcast messages to lists or individuals that have not explicitly expressed an interest in such messages, particularly where such use causes congestion of the networks or otherwise interferes with the work of others
- To intentionally develop programs that harass other users or infiltrate a computer or computing system and/or damage or alter the software components of a computer or computing system

Courtesy

You must be courteous in your use of the Internet. Please:

- Respect the privacy of other users; for example, you should not intentionally seek information on, obtain copies of, or modify files, other data, or passwords belonging to other users, or represent yourself as another user unless explicitly authorized to do so by that user
- Respect the legal protection provided by copyright and license to programs and data
- Use the Internet in ways consistent with ethical guidelines and accepted community standards; malicious use is not acceptable
- Follow the Acceptable Use Policies of any networks you may use to ftp, telnet, or chat
- Be aware that many networks are production or communications networks that many people rely on for business, education, or communications; uses that significantly interfere with the ability of others to make effective use of the network are not acceptable
- Assume that information and resources are private to the individuals and organizations which own or hold rights to those resources and information unless specifically stated otherwise by the owners or holders of rights; it is not acceptable to use your account to access information or resources unless permission to do so has been granted by the owners or holders of rights to those resources or information

Commercial Use

Many networks, sponsored by government or educational institutions, still have stringent restrictions on commercial use. While the opportunities for commercial use are extremely attractive, there are accepted methods of accomplishing commercial objectives. Other Internet users must seek out or ask for the information.

You must appropriately market, advertise, or circulate public relations for your products or services; for example, you may create a World Wide Web home page to advertise products or services and give support or ordering instructions or you may start a news group to open a forum for discussion. Other Internet users may then choose to view your home page or participate in discussions.

Unsolicited advertising is not acceptable. Advertising is permitted on some mailing lists and news groups if they explicitly allow advertising. Announcements of new products or services are acceptable.

New Hope Telephone Cooperative

Internet Rules & Regulations

New Hope Telephone Cooperative, hereinafter referred to as “NHTC”, provides Internet connection service for educational, professional, recreational, entertainment, and limited commercial purposes. As a responsible provider, we must ensure that our subscribers honor and respect the culture and etiquette of the Internet. This culture includes cooperation, civility, courtesy, and respect for privacy.

Account Use

- I read and understand the '[Acceptable Use Policy](#)'. I agree to abide by the guidelines. I understand that my account may be terminated if I do not follow the guidelines.
- I agree to use NHTC Internet service for only lawful purposes. I understand I may not transmit or store any information, data, or material in violation of US federal or state regulation or law. This includes, but is not limited to, material protected by copyright, trade secret or any other statute, threatening material, or obscene material.
- I understand that messages and data sent to destinations outside the United States must satisfy Department of Commerce regulations (either be within the GTDA guidelines for information which may generally be transmitted or have the required license).
- I understand that my NHTC Internet account cannot be transferred or used by anyone other than myself. Account sharing is strictly prohibited. No more than one login session can be active at a time by the subscriber. Accounts which have been transferred to other parties, or show other activity in violation of this paragraph, are subject to immediate termination. I agree not to resell, relicense or redistribute my NHTC Internet connection to any individual, company or organization.
- I understand that NHTC is not responsible in any way for any information I may read, view, or retrieve while using NHTC Internet Service. NHTC is not responsible for the content, accuracy, character or attributes of any information. Information includes, but is not limited to, screen displays, data and text files, graphics files, and programs or executable files.
- Unlimited accounts cannot be used for a dedicated connection. Please keep all online sessions under six hours. Unlimited accounts cannot be used to setup permanent servers.

Account Suspension, Cancellation or Termination

- I understand that NHTC has the right to delete all data, files, or other information stored on NHTC storage devices in my account, if my account is terminated, for any reason, by myself or by NHTC.
- I understand NHTC may cancel my Internet service at any time by sending written notice to my last known mailing or billing address. I understand that I may cancel my Internet service by calling or informing them in writing. I understand that monthly fees will be prorated for the period of time the service was active or in force.
- I understand NHTC has the right to suspend my service at any time, for any reason, without notice. If such a suspension is to last for more than 30 days, I understand I will be notified as to the reason.

- I understand that a late fee will be charged if my account becomes past.
- I understand that if my account is disconnected, for any reason, a reconnect fee may apply.
- I certify that I am 18 years of age or that my parent or guardian agrees to sign this agreement and be liable for the charges.

Warranty & Liability

- I agree to indemnify, release, and hold harmless NHTC from any claims or damages resulting from use of NHTC Internet Service.
- No warranty is made by NHTC regarding any information, services or products provided through, in connection with, or located on the computer systems of the express access service or other services provided by NHTC, and NHTC hereby expressly disclaims any and all warranties including without limitation: 1) any warranties as to the availability, accuracy, or content of information product, or services; and 2) any warranties or merchantability or fitness for a particular purpose.
- Any liability of NHTC, including without limitation any liability for damages caused or allegedly caused by any failure of performance, error, omission, interruption, deletion, defect, delay in operation or transmission, communications line failure, theft or destruction of or unauthorized access to, alteration of, or use of records, whether for breach of contract, tortious behavior, negligence, or under any other cause of action, shall be strictly limited to the amount paid by or on behalf of the subscriber to NHTC for the current month.
- Please be aware that when connected to the Internet your computer is susceptible to security attacks from other users on the Internet. NHTC Internet Service is not liable for any such attacks. We recommend the use of a firewall or other security device on dedicated and ADSL connections.

NEW HOPE TELEPHONE COOPERATIVE

BROADBAND INTERNET SERVICE DISCLOSURES

FCC regulations¹ require persons providing broadband Internet services to publicly disclose various pieces of information. New Hope Telephone Cooperative provides this information about our broadband Internet access services with this document. We refer to our broadband Internet access services as “High Speed”, “High Speed DSL” and/or “High Speed Internet”. The technology we use to provide “High Speed” is Digital Subscriber Line (DSL). We welcome questions or comments about this information. You may contact Internet Technical Support at (866) 620-7381.

NETWORK PRACTICES

General Description

We provide a variety of Internet offerings to our residential and business customers. We provide the service over our broadband network and through third party fiber optic lines connecting to the Internet. We also contract outside our company for certain network monitoring and management services. We monitor our network and traffic patterns and make changes we deem necessary to manage and improve overall network performance. We use reasonable, nondiscriminatory, network management practices to improve overall network performance to ensure a high-quality online experience for all users. Our network management practices do not target any specific content, application, service, or device. As network management issues arise and as technology develops, we may employ additional or new network management practices. We will update these disclosures as necessary.

Related Documents and Disclosures

Use of our Internet is also governed by:

- New Hope Telephone Cooperative Internet Acceptable Use Policy, available at:
 - http://www.newhopetel.net/Files/NHTC_Internet_Acceptable_Use_Policy.pdf
 - New Hope Telephone Cooperative Business Office, 555 Battlefield Rd., Fort Defiance, VA 24437
- New Hope Telephone Cooperative Internet Rules and Regulations, available at:
 - http://www.newhopetel.net/Files/NHTC_Internet_Rules_and_Regulations.pdf
 - New Hope Telephone Cooperative Business Office, 555 Battlefield Rd., Fort Defiance, VA 24437

Congestion Management Practices Used

Network Monitoring

We regularly review traffic statistics showing changes in network traffic and congestion. We use this information to plan increases in bandwidth, port additions, or additional connectivity to the Internet.

Types of traffic affected

Our congestions management practices do not target any specific content, application, service or device.

¹ Code of Federal Regulations, Title 47, Part 8 – Preserving the Open Internet, §8.3 – Transparency

Purposes of Congestion Management Practices

Our High Speed Internet network is a shared network. This means that our customers share upstream and downstream bandwidth at some level. The goal of our congestion management practices is to enable better network availability and speeds for all users. Our congestion management practices serve to:

- Help us adapt and upgrade our network to maintain or improve network performance as demand for our High Speed Internet increases.
- Help us adapt and upgrade our network to maintain or improve network performance as demand for higher bandwidth applications increases. Some examples of higher bandwidth applications are gaming, streaming movies, and streaming high definition video.

Congestion Management Criteria

Network Monitoring

Our network monitoring provides data to help us plan upgrades to our network, equipment, technology, and connectivity to the Internet. As demand for our Internet service increases, and as demand for higher bandwidth applications increases, we monitor effects on network performance and plan upgrades as we deem necessary. We have not established specific criteria to govern our upgrade decisions.

Effects on End User Experience

Because our broadband Internet network is a shared network, periods of high network demand may result in Internet traffic congestion. End users may experience reduced bandwidth or speed during these times.

Typical Frequency of Congestion

While we strive to reduce all congestion on our network, congestion may increase during periods of peak demand for higher bandwidth applications. These periods of peak demand tend to occur in the evenings.

Application-Specific Practices

This section discloses any application-specific practices we use, if any.

Management of Specific Protocols or Protocol Ports

We do not block ports unless our network comes under attack from viruses or other “malware.” In such cases, a third party provider may block that specific port until the attack ceases, at which time they remove the block.

Modification of Protocol Fields

Not applicable.

Applications or Classes of Applications Inhibited or Favored

Not applicable.

Device Attachment Rules

This section addresses any limitations on attaching lawful devices to our network.

General restrictions on types of devices to connect to network

We place no general restrictions on lawful devices that a customer may connect to our network, so long as the device is:

- compatible with our network
- does not harm our network or other users

Our High Speed Internet service works with most types of PCs and laptops including Macs, and other Internet compatible devices like game systems and Internet-enabled TVs. If a wireless router is connected to our High Speed Internet service, wireless Internet compatible devices including computers, tablets, smartphones, and other devices can connect to our network. If a customer or potential customer believes they have an unusual configuration, our customer service department will help determine if there is a compatibility problem.

DSL Equipment

To use our High Speed Internet service delivered via DSL, customers must have a DSL modem. The customer connects a computer or other Internet enabled device to the modem through a Network Interface Card (NIC) for a wired connection. Some DSL modems can also transmit a Wi-Fi signal for connecting wireless devices to our network. For DSL modems that do not transmit a Wi-Fi signal, a customer can attach a wireless router to the DSL modem for connecting wireless devices. New Hope Telephone Cooperative provides DSL modems that customers may purchase to use our service. A customer may use a compatible, commercially available DSL modem; however, support may be limited.

Network and End User Security

This section provides a general description of the practices we use to maintain security of our network.

Practices Used to Ensure End User Security, Including Triggering Conditions

Hostile port blocking

We do not block ports unless our network comes under attack from viruses or other “malware.” In such cases, a third party provider may block that specific port until the attack ceases, at which time they remove the block.

Virus and Spam filtering

Our third party provider may filter email and website traffic for virus activity and Spam using industry standard virus scanning and prevention techniques. Should an email message be found to contain a virus or other harmful content, we may:

- Notify the sender and/or the intended recipient and quarantine the message.
- Delete the email message without notification. We may terminate service for unlawful activity on our network.

Firewalls

DSL modems obtained from us have firewalls. When customers obtain a DSL modem from us the firewall is disabled. We will enable the firewall at a customer’s request. The firewall provides some protection against persons or programs that attempt to gain access to your computers or other connected devices through the Internet.

Practices Used to Ensure Security of the Network, Including Triggering Conditions

Hostile port blocking

Our third party provider may block known hostile ports to prevent unwanted files, browser hacking and virus attacks.

Virus and Spam filtering

Our third party provider may filter email and website traffic for virus activity and Spam using industry standard virus scanning and prevention techniques. Should an email message be found to contain a virus or other harmful content, we may:

- Notify the sender and/or the intended recipient and quarantine the message.
- Delete the email message without notification. We may terminate service for unlawful activity on our network.

PERFORMANCE CHARACTERISTICS

General Service Description

Our High Speed Internet service enables a customer to connect an Internet-enabled device through either a wired or wireless connection. Through our High Speed Internet service, we serve as a local Internet service provider. Our High Speed Internet service enables residential and business customers to access all lawful content, applications, and services of their choice available on the Internet.

Service Technology

We deliver our High Speed Internet service using DSL technology. Our High Speed Internet is delivered over existing copper telephone lines. Customers access our network using DSL modems. Our network is a shared network, which means that our customers share upstream and downstream bandwidth.

Expected and Actual Speeds and Latency

Expected Performance

We offer customers a variety of High Speed Internet service levels. A description of the expected maximum transfer speeds associated with each service level is available at <http://www.newhopetel.net/Broadband.aspx>. We overprovision all Internet service levels to ensure customers generally experience the maximum the transfer speeds associated with the level of service they purchase.

Speed

The speeds we identify for each High Speed Internet service level are the maximum upload and download speeds that customers are likely to experience. We provision our customers' modems and engineer our network to deliver the speeds to which our customers subscribe. However, we do not guarantee that a customer will actually achieve those speeds at all times. A variety of factors can affect upload and download speeds, including customer equipment, network equipment, congestion in our network, congestion beyond our network, performance issues with an Internet application, content, or service, and more.

Latency

Latency is another measurement of Internet performance. Latency is the time delay in transmitting or receiving packets on a network. Latency is primarily a function of the distance between two points of transmission, but also can be affected by the quality of the network or networks used in transmission. Latency is typically measured in milliseconds, and generally has no significant impact on typical everyday Internet usage. As latency varies based on any number of factors, most importantly the distance between a customer's computer and the ultimate Internet destination (as well as the number and variety of networks your packets cross), it is not possible to provide customers with a single figure that will define latency as part of a user experience.

Actual Speed and Latency Performance

Actual speed and latency may vary depending upon network conditions and other factors. Actual performance of our High Speed Internet in most cases will conform to national wireline broadband Internet speed and latency levels reported by the FCC². The FCC has reported that customers of DSL-based broadband Internet services receive mean download speeds that are within 82% of advertised speeds during non-peak hours, and 77.5% of advertised speeds during peak hours. In addition, the FCC has reported that these same customers experience average latency delays of 44 milliseconds, increasing by an average of 47 milliseconds during peak hours.

Suitability of the Service for Real-time Applications

Our High Speed Internet service is suitable for typical real-time applications including messaging, voice applications, video chat applications, gaming, and Internet video. If users or developers have questions about particular real-time applications, please contact Internet Technical Support at (866) 620-7381.

Storage of Network Traffic Information

Dynamic Host Configuration Protocol (DHCP) information is a code included in all network traffic that associates that traffic with a particular DSL modem sending or receiving the traffic. We do not store DHCP information. Our third party provider may store DHCP information.

Provision of Network Traffic Information to Third Parties

We may disclose network traffic information to third parties solely for purposes of providing and maintain our High Speed Internet service or if required by court order.

Use of Network Traffic Information for Non-network Management Purposes

Not applicable.

Redress Options; Practices for Resolving End-user and Edge Provider Complaints and Questions

End users or edge providers with complaints or questions relating to these disclosures should contact Laurie Hensley at (540) 363-5277.

Questions. We will endeavor to answer questions promptly via telephone.

Complaints. For written complaints, we will provide an initial response in writing within 15 business days of receipt. We will attempt to resolve complaints informally, escalating the matter to senior management if needed.

² See FCC's Office of Engineering and Technology and Consumer Affairs Bureau, *Measuring Broadband, A Report on Consumer Wireline Broadband Performance* in the U.S., OET CGB DOC-308828A1, pp. 4-6 (Aug. 2, 2011) (available at: http://transition.fcc.gov/cgb/measuringbroadbandreport/Measuring_U.S._-_Main_Report_Full.pdf).



Privacy Policy

Privacy Statement

New Hope Telephone Cooperative recognizes the importance of protecting your personal information and we are committed to safeguarding your privacy in-person and online.

New Hope Telephone Cooperative understands the privacy concerns our customers have. We have implemented policies intended to ensure that your personal information is handled in a safe and responsible manner.

Our commitment to privacy

This privacy policy applies to all of our services, partners, and employees.

This policy is designed to assist you in understanding how we collect, use, and safeguard the personal information you provide to us and to assist you in making informed decisions when using our site and our products and services. This statement will be continuously assessed against new technologies, business practices, and our customers' needs.

What information do we collect?

When you visit our website, you may provide us with two types of information: personal information you knowingly choose to disclose that is collected on an individual basis, and website use information collected on an aggregate basis as you and others browse our website.

1. Personal information you choose to provide

When you engage in certain activities on this site or in-lobby, such as ordering services, downloading software, etc., New Hope Telephone Cooperative may ask you to provide certain information about yourself by filling out and submitting a form. It is optional for you to engage in these activities. If you elect to engage in these activities, however, New Hope Telephone Cooperative may require that you provide us personal information such as your name, mailing or street address, e-mail address, and other personal identifying information for purposes of completing a transaction or delivering a service. When ordering products and services on site, or paying your bill online (if available), you may be asked to provide a credit card number along with other personal information such as your mailing or street address, and e-mail address.

When you submit personal information to New Hope Telephone Cooperative, you understand and agree that New Hope Telephone Cooperative and its affiliates may

transfer, store, and process your customer profile. That personal information will remain confidential to New Hope Telephone Cooperative.

New Hope Telephone Cooperative collects this information in order to record and support your participation in any activities you select. If you order a product, for example, the information is used to register your license and rights, if any, to technical support, upgrade discounts, or other benefits that may be made available to registered users. New Hope Telephone Cooperative may also use the information that you provide as part of our effort to keep you informed about product upgrades, special offers, and other products and services offered by New Hope Telephone Cooperative.

Credit card information

This section applies when online credit card payment options are available through New Hope Telephone Cooperatives' website. If you choose to purchase products or services from New Hope Telephone Cooperative, you may need to give personal information and authorization to obtain information from various credit services. For example, you may need to provide the following information: Name; Mailing address; E-mail address; Credit card number; Home and business phone number; other personal information (for example, the city in which you were born).

E-mail information

If you choose to correspond further with us through e-mail, we may retain the content of your e-mail messages together with your e-mail address and our responses. We provide the same protections for these electronic communications that we employ in the maintenance of information received by mail and telephone.

2. Website use information

Similar to other commercial websites, our website may utilize a standard technology called "cookies" (see explanation below: What are cookies?) and web server logs to collect information about how our website is used. Information gathered through cookies and web server logs may include the date and time of visits, the pages viewed, time spent at our website, and the websites visited just before and after our website. This information is collected on an aggregate basis. None of this information is associated with you as an individual.

How we use the information that you provide to us?

Broadly speaking, we use personal information for purposes of administering our business activities, providing customer service and making available other products and services to our customers and prospective customers.

Occasionally, we may also use the information we collect to notify you about important changes to our website, new services and special offers we think you will find valuable. The lists used to send you product and service offers are developed and managed under our traditional corporate standards designed to safeguard the security and privacy of our customers' personal information.

What are cookies?

Cookies are a standard feature of web browser software that allow web servers to recognize the computer used to access a website. Cookies are small pieces of data that are stored by a user's web browser on the user's hard drive. Cookies store select pieces of information a user accesses on a web page to simplify subsequent interactions with that website by the same user or to use the information to streamline the user's transactions on related web pages. This makes it easier for a user to move from web page to web page and to complete commercial transactions over the Internet. Cookies are used to make your online experience easier and more personalized.

Cookies help us collect important business and technical statistics. The information in the cookies lets us trace the paths followed by users to our website as they move from one page to another; this helps us improve our navigation and make it easier for you to find things. Web server logs allow us to count how many people visit our website and evaluate our site's traffic patterns. We do not use these technologies to capture your individual e-mail address or any personally identifying information about you, although they do permit us to display information most likely to be of interest to you.

Sharing information with affiliates

If we host advertising for outside companies on our website we will take commercially reasonable measures to select product or service providers that appear to be responsible and provide privacy protections to their customers. However, we cannot make any representations about the practices and policies of these companies, and we do not warrant their products or services.

No sharing of information with third parties

We do not sell, trade or disclose to third parties any customer identifiable information derived from the registration for or use of our online services (including customer names and addresses) without your consent (except as required by subpoena, search warrant or other legal process, or in the case of imminent physical harm to yourself or others). When we use other agents, contractors, or companies to perform services on our behalf, we will ensure that the company protects your personal information in a manner consistent with this policy.

How do we secure information transmissions?

When you send confidential personal credit card or financial account information to us on our website, secure server software, encrypts all information you input before it is delivered to us. The information is scrambled en route and decoded once it reaches our web servers.

Other e-mail that you send us may not be secure unless we advise you that security measures will be in place prior to your transmitting the information. For that reason, we ask that you do not send confidential information such as social security or account numbers to us through an unsecured e-mail.

How do we protect your information?

Information security

We utilize encryption/security software to safeguard the confidentiality of personal information we collect, from unauthorized access or disclosure and accidental loss, alteration or destruction.

Evaluation of information protection practices

Periodically, our operations and business practices are reviewed for compliance with corporate policies and procedures governing the security, confidentiality and quality of our information.

Employee access, training, and expectations

Our corporate values, ethical standards, policies and practices are committed to the protection of customer information as described in this policy. In general, our business practices limit employee access to confidential information, and limit the use and disclosure of such information to authorized persons, processes, and transactions.

How can you access and correct your information?

To update your account information with New Hope Telephone Cooperative (such as your mailing address, primary customer name, which features or services you subscribe to, or other details), call the customer service number shown on your bill.

Do we disclose information to outside parties?

We may provide aggregate information about our customers, sales, website traffic patterns and related website information to our affiliates or reputable third parties, this

information will not include any personally identifying data, except as otherwise provided in this privacy policy.

What about legally compelled disclosure of information?

We may disclose information when legally responsible to do so: under court or legal order, or when we, in good faith, believe that the law requires it for the protection of our legal rights.

What about other websites linked to our website?

We are not responsible for the practices employed by websites linked to or from our website nor the information or content contained therein. Often links to other websites are provided solely as pointers to information on topics that may be useful or of interest to the users of our website.

Please remember that when you use a link to go from our website to another website, our privacy policy is no longer in effect. Your browsing and interaction on any other website, including websites which have a link on our website, is subject to that website's own rules and policies. Please read over those rules and policies before proceeding.

Your consent

By using our website you consent to our collection and use of your personal information as described in this privacy policy. If we change our privacy policies and procedures, we will post those changes on our website to keep you aware of what information we collect, how we use it and under what circumstances we may disclose it.

Opt-Out or Correct and Update

If you would like to remove your information or to receive future communications, or wish to change or modify information previously provided, please contact us at questions@newhopetel.net or you may call the business office at, (540)363-5277.

Contacting our Web Site and Company

If you have questions about this privacy policy, the practices of this site, or your dealings with New Hope Telephone Cooperative, contact our General Manager, Tim Harris, via email at questions@newhopetel.net or P. O. Box 66, New Hope, VA 24469 or by calling (540) 363-5277.

Revised: 8/1/2016

NEW HOPE TELEPHONE COOPERATIVE

CUSTOMER PROPRIETARY NETWORK INFORMATION POLICY

New Hope Telephone Cooperative (NHTC) is committed to maintaining subscriber privacy. In addition to protecting personal information, NHTC is obligated to give additional protections to certain information about how subscribers use their services. This information is known as Customer Proprietary Network Information or CPNI. On December 8, 2007, additional Federal Communications Commission (FCC) rules went into effect to further protect your CPNI.

What is CPNI?

CPNI is defined as:

- A. Information that relates to the quantity, technical configuration, type, destination, location, and amount of use of a telecommunications service subscribed to by any customer of a telecommunications carrier, and that is made available to the carrier by the customer solely by virtue of the carrier-customer relationship; and
- B. Information contained in the bills pertaining to telephone exchange service or telephone toll service received by a customer of a carrier. Practically speaking, CPNI includes information such as the phone numbers called by a consumer; the frequency, duration, and timing of such calls; and any services purchased by the consumer, such as call waiting. CPNI, therefore, includes some highly sensitive personal information.

Examples of CPNI

- Information a telecommunications provider has as a result of providing service to a subscriber;
- Type of service purchased by a subscriber;
- Providers selected or used by a subscriber;
- Information appearing on the subscriber's bill;
- Who a subscriber calls, where they call, when they call, or how much they call;
- How much a subscriber uses their services;
- How a subscriber uses their services.

CPNI Is Not

- A customer's name, address or telephone number (when used in phone books and directory listings/publishing services);
- Aggregate information, or data that is lumped together and is not specific to a single customer;
- Reports containing total counts, number of subscribers selecting various long distance carriers, etc.;
- Customer premise equipment, internet access or related data, or voice mail information.

Requirements

You will be required to present a valid photo ID for customer authentication when appearing in person at our business office. Only account holders or their authorized representatives are permitted to obtain account information.

NHTC has assigned a password to your account. The use of your account password is the ONLY authentication method we will accept for phone inquiries. You may change your password by calling the business office, you must first authenticate with the current password before changing it. If you lose or forget your password you must come in to the business office with valid photo ID to obtain it.

You will be immediately notified of certain account changes, including but not limited to, changes made to passwords, phone number, address and long distance carrier.

Application for Lifeline Telephone Service

(Revised May 25, 2017)

Lifeline Service

- Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- Only one Lifeline service is available per household.
- A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses.
- A household is not permitted to receive Lifeline benefits from multiple providers (either landline or wireless).
- Violation of the one-per-household limitation constitutes a violation of the Federal Communications Commission's (or "FCC") rules and will result in the subscriber's de-enrollment from the program.
- Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.

How to apply: four steps

1. Choose whether you will apply because you participate in a qualifying program or because your total household income falls within the guidelines.
2. Fill out the form on page two. You must indicate your service address (cannot be a P.O. Box) as well as your billing address (if not the same as your service address), the last four digits of your Social Security Number (SSN) and your date of birth.
3. You must provide photocopies of either the program or income documents.
4. You must sign the bottom of the application indicating that you are complying with the Lifeline benefit rules.

Qualifying Methods

You may qualify for Lifeline either because you participate in one of the following programs or because your income is within the following guidelines.

You MUST send photocopies of any qualifying documentation. NOTE: WE WILL NOT RETURN ANY DOCUMENTATION. Acceptable program proof may include a benefit or award letter, benefit card, voucher, benefit check stub or lease agreement (applicable for FPHA proof only). Documentation MUST include the name of the program, the beneficiary's name, address of the beneficiary, date of the award and in some cases, the amount of the award.

Program Eligibility

Eligible Programs	
Medicaid	Federal Public Housing Assistance/Section 8 (FPHA)
Food Stamps (Supplemental Nutrition Assistance Program (SNAP))	Veteran's Pension Benefits (VA Pension)
Federal Supplemental Security Income (SSI)	Survivor Pension Benefits (Veterans's Death Pension)

Income Eligibility

Including yourself, your household has:	Your household income is at or below:
1 person	\$ 16,038.00
2 people	\$ 21,627.00
3 people	\$ 27,216.00
4 people	\$ 32,805.00
5 people	\$ 38,394.00
6 people	\$ 43,983.00
7 people	\$ 49,585.50
8 people	\$ 55,201.50
For families/households with more than 8 persons, add \$4,160 for each additional person	

Documentation needed to qualify for Lifeline through income is noted on next page. Income must be provided for entire household.

Charges and Credit

Customers eligible for Lifeline assistance receive a credit of \$10.38 on their monthly bill. You are still responsible for charges on your line. See page 3 for an explanation of charges.

For Company use only:

Date Verified: _____ Initials: _____ Qualifiers Name: _____

Type of document for program eligibility: _____

Type of document for income eligibility: _____ Total Gross Income: _____

Application for Lifeline Telephone Service

(Revised May 25, 2017)

When completed, mail or fax form to:
New Hope Telephone Cooperative
P.O. Box 66
New Hope, VA 24469
Fax: (540)363-8277

Applicants Name _____

Street Address _____ Temporary (Required) Yes No

City _____ State _____ Zip Code _____

Billing Address _____

City _____ State _____ Zip Code _____

Telephone Number _____ Applicants SSN (last 4 digits) _____ Date of Birth _____

Please choose 1 OR 2

- I certify that I participate in at least one of the following programs (check all that apply) and I am providing a photocopy of a document that demonstrates my participation in one of these programs. Acceptable program proof may include a benefit or award letter, benefit card, voucher, benefit check stub or lease agreement (applicable for FPHA proof only).

NOTE: SEND PHOTOCOPIES ONLY; WE WILL NOT RETURN ANY DOCUMENTATION.

<input type="checkbox"/> Medicaid	<input type="checkbox"/> Federal Public Housing Assistance (FPHA)
<input type="checkbox"/> Food Stamps (Supplemental Nutrition Assistance Program – SNAP)	<input type="checkbox"/> Federal Supplemental Security Income (SSI)

- I certify that my total household income falls within the guidelines listed on Page 1 and I also certify that this is how many people live in my household (**required**): _____.

I am providing a photocopy of the following qualifying documents to demonstrate income for my entire household:

<input type="checkbox"/> Prior year's state or federal tax return	<input type="checkbox"/> Retirement / pension statement of benefits
<input type="checkbox"/> Current income statement from an employer	<input type="checkbox"/> Unemployment/Workmen's Compensation statement of benefits
<input type="checkbox"/> Paycheck stubs for most recent 3 months	<input type="checkbox"/> Federal notice letter of participation in General Assistance
<input type="checkbox"/> Social Security statement of benefits	<input type="checkbox"/> Veterans Administration Statement of Benefits
<input type="checkbox"/> Child Support document	<input type="checkbox"/> Other official document containing income information
<input type="checkbox"/> Divorce decree	

I certify, under penalty of perjury, that:

- I meet the income-based or program-based eligibility criteria for receiving Lifeline, shown above.
- I will notify the carrier within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline including, as relevant, if I no longer meet the income-based or program-based criteria for receiving Lifeline support, I am receiving more than one Lifeline benefit, or another member of my household is receiving a Lifeline benefit.
- If I move to a new address, I will provide that new address to New Hope Telephone Cooperative within 30 days.
- If my address listed above is a temporary address, I understand that I must verify my temporary address with New Hope Telephone Cooperative every 90 days. If I fail to respond to New Hope Telephone Cooperative's address verification attempts within 30 days, my Lifeline benefits may be terminated.
- My household will receive only one Lifeline service and, to the best of my knowledge, my household is not already receiving a Lifeline service.
- The information contained in this certification form is true and correct to the best of my knowledge.
- I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- I acknowledge that I may be required to re-certify my continued eligibility for Lifeline at any time, and my failure to re-certify my continued eligibility will result in de-enrollment and the termination of my Lifeline benefits.

I hereby authorize New Hope Telephone Cooperative to release any of my information contained in this Lifeline Application required for the administration of the Lifeline program to the FCC or its designee, including the Universal Service Administrative Company, and to any state and federal agency, as required by law.

Applicants Signature _____ Date _____

Application for Lifeline Telephone Service

(Revised May 25, 2017)

Monthly Charges

The following tables show charges you are responsible for paying on your monthly bill.

Local Service

Description	Charge
Private Residence ^{SX-FX}	\$22.75
Interstate Access Charge ^{SX-FX}	\$6.50
E-911 Tax	\$0.75
Public Rights-Of-Way Fee	\$1.11
State Tax	5% of monthly taxable items
Federal Tax	3% of monthly taxable items
^{SX} = State Taxable	
^{FX} = Federal Taxable	

Calling Plans (To Waynesboro Exchanges)

Description	Monthly Recurring Charge	Per Minute Charge
Economy Plan ^{SX-FX}	None	\$0.10
Value Plan ^{SX-FX}	\$2.30	\$0.05
Premium Plan ^{SX-FX}	\$14.80	None

Regional Toll (New Hope Telephone Cooperative as INTRA-Lata Carrier) ^{SX-FX}

Based on mileage from New Hope Telephone Cooperative central office, time of day and day of week.

Miles	Initial Minute			Additional Minutes		
	Period 1	Period 2	Period 3	Period 1	Period 2	Period 3
8	\$ 0.21	\$ 0.13	\$ 0.08	\$ 0.12	\$ 0.07	\$ 0.05
13	0.25	0.15	0.10	0.14	0.08	0.06
18	0.30	0.18	0.12	0.19	0.11	0.08
23	0.34	0.20	0.14	0.20	0.12	0.08
38	0.37	0.22	0.15	0.22	0.13	0.09
48	0.46	0.28	0.18	0.29	0.17	0.12
58	0.48	0.29	0.19	0.31	0.19	0.12
78	0.50	0.30	0.20	0.32	0.19	0.13
118	0.51	0.31	0.20	0.33	0.20	0.13
194	0.52	0.31	0.21	0.37	0.22	0.15
9999	0.54	0.32	0.22	0.39	0.23	0.16

Time Schedule

Period 1	7:00:00 AM – 6:59:59 PM, Monday through Friday
Period 2	7:00:00 PM – 6:59:59 AM, Monday through Friday
Period 3	7:00:00 AM – 7:00:00 AM, Saturday, Sunday and Holidays
	Holidays: New Years Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

INTER-Lata Toll ^{SX-FX}

You will need to consult with your INTER-Lata toll provider for their charges.

^{SX} = State Taxable, ^{FX} = Federal Taxable

Bylaws

of

New Hope Telephone Cooperative

New Hope, Virginia

Telephone Number:
363-5277

Mailing Address:
P. O. Box 66
New Hope, VA 24469

Revised May 6, 2009

BYLAWS
of
NEW HOPE TELEPHONE COOPERATIVE

ARTICLE I
MEMBERSHIP

SECTION 1.1. Eligibility. Any person, firm, association, corporation, or body politic or subdivision thereof may become a member of NEW HOPE TELEPHONE COOPERATIVE (hereinafter called the “Cooperative”) upon:

- (1) Making a written application for membership for the Cooperative’s records;
- (2) Agreeing to purchase services from the Cooperative in accordance with established tariffs, as well as to pay other charges for services that the member or the member’s tenant uses and the Cooperative is obligated by law or contract to collect;
- (3) Agreeing to comply with, and be bound by, the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board; and
- (4) Agreeing to pay any membership fee as hereinafter may be specified.

SECTION 1.2. Classifications and Restrictions.

- (a) Exchange and interexchange carriers who participate with the Cooperative in the provision of telecommunications services to members are neither members nor patrons by virtue of division of revenue contracts.
- (b) Each time sharing or interval ownership property is considered as a single corporate member. The owner of seasonal, recreational and short-interval rental properties will be deemed to hold the membership.
- (c) No member may hold more than one membership in the Cooperative. No membership in the Cooperative shall be transferrable, except on the books of the Cooperative and as provided for in these Bylaws.

- (d) All memberships in the Cooperative are extended only to persons who meet the criteria of Sections 1.1 and 1.2. Two or more persons may apply for a joint membership. The term “member” as used in these Bylaws shall include two or more persons holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of certain actions by or in respect of the holders of a joint membership shall be as follows:
- (1) The presence at a meeting of one or more shall be regarded as the presence of the joint member and shall constitute a joint waiver of notice of the meeting;
 - (2) The vote of one separately or more than one jointly shall constitute the sole joint vote for such membership;
 - (3) A waiver of notice signed by one or more shall constitute a joint waiver;
 - (4) Notice to one shall constitute notice to all;
 - (5) Withdrawal of one shall terminate the joint membership, unless more than one person remains, in which case the joint membership shall continue, comprised of those persons remaining;
 - (6) Any, but not more than one, may be elected or appointed as an officer or Board member if individually qualified;
 - (7) Upon the death of any person who is a party to the joint membership, such membership shall remain a joint membership if more than one person remains. If only one person remains, the membership shall become an individual membership. However, the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 1.3. Membership Fees. A membership fee, if any, shall be determined by the Board at a uniform amount. The membership fee shall be paid at the time application for membership is made.

SECTION 1.4. Purchase of Services. As soon as service is available, each applicant for telephone service shall take service from the Cooperative. The member shall pay for such service at monthly rates in accordance with either established tariffs or policies as fixed by the Board, or, for the services rendered by other carriers, at the rates which the Cooperative is obliged to bill and collect by contractual arrangements with other carriers or by regulatory requirements. It is expressly understood that amounts received by the Cooperative for all services in excess of cost are furnished by members from the moment of receipt as capital, and each member shall be credited with the capital so furnished as provided in these Bylaws. However, the Cooperative is not obligated to furnish such credits for services which are not billed and collected by the

Cooperative, even when such services are partially rendered using lines or other facilities of the Cooperative. Each member shall pay the above amounts owed by such member to the Cooperative as and when the same shall become due and payable.

SECTION 1.5. Termination of Membership.

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe.
- (b) Upon the withdrawal, death, or cessation of service for thirty (30) continuous days, the membership of such member shall thereupon terminate and will be so recorded on the books of the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.
- (c) In case of termination of membership in any manner, the Cooperative shall repay to the member the amount of any membership fee credited to the member's account; provided, however, that the Cooperative shall deduct from the amount of the membership fee, the amount of any debts or obligations owed by the member to the Cooperative.

ARTICLE II

RIGHTS AND LIABILITIES OF THE COOPERATIVE AND THE MEMBERS

SECTION 2.1. Service Obligations.

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

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

Cooperative, the member shall execute any easement or right-of-way contract on a form to be furnished by the Cooperative for the purposes set forth above.

SECTION 2.3. No Member 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 and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

SECTION 2.4. Property Interest of Members. Upon dissolution, after: (1) All debts and liabilities of the Cooperative shall have been paid; (2) All membership fees shall have been repaid; and (3) All capital furnished through patronage shall have been retired as provided in these Bylaws and (4) payments required under any Agreement with the Internal Revenue Service regarding the tax-exempt status of the Cooperative or any of its predecessor entities or associations have been made, then the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate capital credit balance of each member and former member bears to the total capital credit balance of all such members and such former members on the date of dissolution, unless otherwise provided by law.

ARTICLE III

MEETINGS OF MEMBERS

SECTION 3.1. Annual Meeting. The annual meeting of the members (the “Annual Meeting”) shall be held on the last Tuesday in the month of March each year, at the time and place within the Counties of Augusta, or Rockingham or the Cities of Staunton or Harrisonburg, in the Commonwealth of Virginia, as selected by the Board and which shall be designated in the Notice of the Meeting, for the purpose of announcing the election of Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. If such meeting cannot be held on the date prescribed herein because of an emergency, weather-related or otherwise, the Board of Directors may reschedule the meeting to a convenient time thereafter. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative nor affect the validity of any corporate action.

SECTION 3.2. Special Meetings. Special meetings of the members may be called by resolution of the Board, or upon a written request of five (5) Board members, by the president, or by five percent (5%) or more of the members, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the Counties of Augusta and Rockingham or the Cities of Staunton and Harrisonburg, in the Commonwealth of Virginia, and the location shall be specified in the Notice of the special meeting.

SECTION 3.3. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than forty-five (45) days before the date of the meeting, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when delivered to the United States Postal Service, addressed to the member at the address appearing on the records of the Cooperative, with postage thereon prepaid. The incidental or unintended failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

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

SECTION 3.5. Quorum. Business may not be transacted at any meeting of the members unless there are present on a question in person or by mail ballot at least twenty-five (25) members of the Cooperative, except that, if less than a quorum is present at any meeting, a majority of those present may adjourn the meeting to another time and date. In such event, the secretary shall notify any absent members of the time, date and place of such adjourned meeting by delivered notice thereof as provided in Section 3.3. At all meetings of the members, whether a quorum is present or not, the secretary shall affix to the meeting minutes, or incorporate therein by reference, a list of those members who were registered as present.

SECTION 3.6. Approval of Minutes of Members Meetings. If there is no quorum at any annual meeting of members, such that it is not possible to approve the minutes of a previous meeting of members, then following such annual meeting the Secretary shall post the draft minutes of such prior meeting for inspection by members at the principal office of the Cooperative. If no member objects in writing to such minutes within thirty (30) days of the time of posting, then the Board of Directors may approve such minutes by majority vote, and such minutes shall stand approved as if approved by a vote of the members at a duly called meeting of the members.

SECTION 3.7. Voting. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the members. Firms, partnerships, corporations, limited liability companies, or associations holding membership in the Cooperative may be represented by any individual duly authorized in writing. Voting by proxy shall not be permitted, but, if authorized in any instance by the Board of Directors, absent Members may vote in an election or on specific questions other than the removal of directors by mail ballots submitted to the members and returned to the Secretary by mail or otherwise. Each mail ballot shall notify each Member in writing, in a form approved by the Board of Directors, of the exact wording of the motion or resolution upon which such vote is taken, or the names of all candidates seeking election to the position being filled by election, and shall include a copy of such motion or resolution, if any. The Cooperative may utilize mail voting both (a) in

conjunction with a meeting at which members present in person who did not vote by mail will vote on the same questions presented by mail ballot, and (b) to take votes of members on proper questions independently of any meeting; but the Board of Directors shall specify in the resolution authorizing the mail ballot, whether or not there shall be a meeting in which live votes are received on the question or action contained in the mail ballot. Any issues with respect to voting not otherwise addressed in the Articles of Incorporation or these Bylaws, or Virginia law, shall be decided according to the latest edition of Robert's Rules of Order. All questions, except those involving multiple choice determinations, shall be decided by a vote of a majority of the members voting thereon except as otherwise provided by law, the Articles of Incorporation, or these Bylaws. Multiple choice determinations shall be decided by a plurality vote.

SECTION 3.8. [Reserved].

SECTION 3.9. Order of Business. The order of business at the annual meeting of the members and, so far as appropriate at all other meetings of the members, shall be conducted under policies established by the Board and under an agenda essentially as follows, except as otherwise determined by the members at such meeting:

- (1) Report on the number of members present in person in order to determine the existence of a quorum.
- (2) Proof of due notice of the meeting
- (3) Reading and disposal of any unapproved minutes.
- (4) Presentation and consideration of reports of officers, directors, trustees, and committees.
- (5) Unfinished business.
- (6) New business, including election of Board members.
- (7) Adjournment.

Notwithstanding the foregoing, the Board or the members themselves may, from time to time, establish a different order of business for the purpose of assuring the earlier consideration of an action upon any item of business the transaction of which is necessary or desirable in advance of any other item of business; provided, that no business other than adjournment of the meeting to another time and place may be transacted or shall occur until and unless the existence of a quorum is first established.

ARTICLE IV

BOARD MEMBERS

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

SECTION 4.2. Election Process and Tenure of Office. Unless the Board otherwise explicitly directs and states in the Notice of Annual Meeting, members shall have the opportunity to vote for the election of directors by mail ballot returned to the Secretary at or before the Annual Meeting (defined below) or by voting in person at the Annual Meeting. Members shall be eligible to vote for every director position. At the first annual meeting after the adoption of these bylaws, members shall elect all 9 directors; three (3) directors shall be elected to terms that expire at the next succeeding annual meeting, three (3) directors shall be elected to terms that expire at the second succeeding annual meeting, and three (3) directors shall be elected to terms that expire at the third succeeding annual meeting. After the initial annual meeting, all other directors shall be elected to serve a term that expires at the third succeeding annual meeting, or until such Director's successor shall have been elected and shall have qualified, such that the terms of one-third (1/3) of the directors shall expire each year. If a member elected as a director is a firm, association, another cooperative, corporation, business trust, partnership or body politic, such member shall authorize a natural person affiliated with such member to attend meetings of the Board and to act for such member with regard to its duties and rights as a member of the Board of Directors. Directors shall be nominated as provided hereinafter.

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

- (1) Is a member of the Cooperative;
- (2) Is not an employee of the Cooperative, a contractor with the Cooperative, or in any way financially interested in a competing enterprise or a business engaged in selling communication services or communication supplies or maintaining communication facilities. If a majority of the Board find at any time that any directors is so interested or affiliated at a more than de minimus level, he shall thereupon cease to be a director, and his seat shall be vacant; and
- (3) Is not closely related to an incumbent director, an employee of the Cooperative, or a contractor with the Cooperative. As used here, "closely related" means a person who is related to the principal person by consanguinity or affinity, to the second degree or less - that is, a person who is either a spouse, child, grandparent, parent, brother, sister, aunt, uncle, nephew or niece, by blood or in law, of the principal. However, no incumbent director shall lose eligibility to remain a director or to be re-elected as a director if she becomes a close relative of another incumbent director, a Cooperative contractor, or a Cooperative employee because of a marriage to which she was not a party; neither shall an employee lose eligibility to continue in the employment of the Cooperative if he becomes a close relative of a director because of a marriage to which he was not a party.

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

SECTION 4.4. Nominations. It shall be the duty of the Board to appoint, not later than the December 1 preceding the Annual Meeting, a Committee on Nominations consisting of not less than three (3) nor more than five (5) members, who must be members of the Cooperative but may or may not be members of the Board. The Committee shall prepare and post at the principal office of the Cooperative on or before the January 10 preceding the Annual Meeting a list of nominations for Board members which shall include as many nominees for each Board position as the committee deems desirable. In addition, any ten (10) or more members acting together may make other nominations by petition and shall deliver such petition to the secretary on or before the February 10 preceding the Annual Meeting. No other nominations shall be considered. The secretary shall be responsible for mailing a Notice of the Meeting, with a mail ballot, to the members of the Cooperative no earlier than the February 11 preceding the Annual Meeting. If any of the dates mentioned in this Section 4.4 is not a business day, the deadline for performing the action described shall be extended to include submissions made on the business day immediately following.

SECTION 4.5. Removal of Board Member by Members and Resignations. Any member may bring charges, relating to the duties and responsibilities of his position, against a Board member and, by filing with the secretary such charges in writing together with a petition signed by at least ten (10) percent of the members, or two hundred (200) whichever is the lesser, may request the removal of such Board member by reason thereof. Such Board member shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members. No director shall be removed from office except by a vote of two-thirds (2/3) of the members present in person. Any vacancy created by such removal may be filled by vote of the members present in person at such meeting without compliance with the foregoing provisions with respect to nominations. A director may resign at any time by written notice delivered to the Board, the president or secretary of the Cooperative. A resignation is effective when the notice is delivered unless the notice specifies a future date. The pending vacancy may be filled before the effective date but the successor shall not take office until the effective date.

SECTION 4.6. Vacancies. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Board members by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term, provided, however, that in the event the vacancy is not filled by the Board within sixty (60) days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members by balloting of those present in person without compliance with the foregoing provisions in respect to nominations. However, any successor, whether chosen by the Board or the members, must have the same qualifications for office as set forth in Section 4.3.

SECTION 4.7. Compensation. Board members shall, as determined by resolution of the Board, receive a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board. Board members also shall be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for service to the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the Board member or his close relative shall have been certified by the Board as an emergency measure. For purpose of this section, close relative includes grandparents, parents, husband, wife, children, grandchildren, brothers, sisters, aunts, uncles, nephews and nieces, by blood, by marriage or by adoption, and spouses of any of the foregoing.

SECTION 4.8. Rules, Regulations, Tariffs and Contracts. The Board shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rates, tariffs, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative or, cause such to be submitted for any appropriate governmental regulatory approval. Further, the Board may constitute itself into committees for the purpose of studying and making recommendations to the full Board in the course of its decisional processes.

SECTION 4.9. Accounting Systems and Reports. The Board shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition. A summary or report of such of such operations and conditions shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time. The fiscal year of the Cooperative shall run from November 1 through October 31 of each calendar year. The previous sentence is declarative of existing practice within the Cooperative, and is consistent with the Cooperative's practice since its inception.

ARTICLE V

MEETINGS OF THE BOARD

SECTION 5.1. Regular Meetings. A regular meeting of the Board shall be held once per calendar quarter at such time and place as designated by the Board. Such regular quarterly meeting may be held without notice other than such resolution fixing the time and place thereof. A minimum of at least four (4) regular meetings shall be held each year. Unless specifically prohibited by law, meetings, regular or special, may be conducted through the use of conference telephone or other communications equipment by means of which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the persons participating.

SECTION 5.2. Special Meetings. Special meetings of the Board may be called by the president or by any five (5) Board members, and it shall thereupon be the duty of the secretary to

cause notice of such meeting to be given as hereinafter provided. The president or Board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 5.3. Notice of Board Meetings. Written notice of the time, place (or telecommunications conference event) and purpose of any special meeting of the Board shall be delivered to each Board member either personally or by mail, at the direction of the secretary, or upon default in duty by the secretary, by the president or one of the Board members calling the meeting at least five (5) days before the date set for the meeting. If mailed, such notice shall be deemed to be delivered when deposited with the U. S. Postal Service, addressed to the Board member at his address as it appears on the records of the Cooperative, with first-class postage thereon prepaid.

SECTION 5.4. Quorum. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at a said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the secretary shall notify any absent Board members of the time and place of such adjourned meeting. The act of a majority of the Board members present and voting at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws or by the parliamentary procedure or special rules adopted by the Cooperative. Board members may not vote by proxy at regular or special Board meetings.

SECTION 5.5. Unanimous Consent in Writing. Unless otherwise prohibited by law, Board actions may be taken without a meeting and without a vote if unanimous consent of the Board is obtained in writing setting forth the action taken in detail and the document is signed by all Board members entitled to vote.

ARTICLE VI

OFFICERS

SECTION 6.1. Number and Titles. The officers of the Cooperative shall be a president, vice president, a secretary-treasurer, and such other officers as may be determined by the Board from time to time.

SECTION 6.2. Election and Term of Office. The officers shall be elected by ballot, if there is a contest, and if not, by voice vote or any other method designated by the person presiding. They shall be elected annually by the Board, at the next meeting of the Board held 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. The Board shall elect the president and vice-president from among their own members. The secretary-treasurer and any other officers need not be Board members. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members, or until a successor shall have been elected and shall have qualified, whichever is later. Except as

otherwise provided in these Bylaws, a vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 6.3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the Board may be removed by the Board for cause related to position whenever in its judgment the best interests of the Cooperative will be served thereby. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity.

SECTION 6.4. President. The president shall:

- (1) Be the principal executive officer of the Cooperative and unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;
- (2) Sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and
- (3) In general perform all duties incident to the Office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 6.5. Vice President. In the absence of the president, or in the event of his inability or refusal to act, the vice president shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. The vice president shall also perform such other duties as from time to time may be assigned to him by the Board.

SECTION 6.6 Secretary. The secretary shall be responsible for:

- (1) Keeping the minutes of the meetings of the members and of the Board in books prepared for that purpose;
- (2) Seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (3) The safekeeping of the corporate books and records;
- (4) Keeping a register of the names and post office addresses of all members;

- (5) Keeping on file at all times a complete copy of the Certificate of Incorporation and Bylaws of the Cooperative containing all amendments thereto and at the expense of the Cooperative, furnishing a copy of these Bylaws and of all amendments thereto to each member; and
- (6) In general performing all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the Board.

SECTION 6.7. Treasurer. The treasurer shall be responsible for:

- (1) Custody of all funds and securities of the Cooperative;
- (2) The receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; provided, however, that the treasurer shall have authority, with the approval of the Board, to delegate to the general manager the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this section; and
- (3) The general performance of all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the Board; provided, however, with respect to the duties and responsibilities of the treasurer, the Cooperative shall indemnify and hold the treasurer harmless against any and all losses, claims and/or damages which may be asserted against the treasurer, in his official capacity, unless such claim is a result of an act personally committed or omitted by the treasurer resulting in loss to the Cooperative.

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

SECTION 6.9. Bonds. The Board may require any officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine. The costs of all such surety shall be borne by the Cooperative.

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

SECTION 6.11. Reports. The officers of the Cooperative shall submit at each annual meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII

NON-PROFIT OPERATION

SECTION 7.1. Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 7.2 Patronage Capital in Connection with Furnishing Telephone Services. In the furnishing of telephone services, the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to insure that the Cooperative will be operated on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of telephone services in excess of operating costs and expenses properly chargeable against the furnishing of such services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such manner that at the end of each fiscal year the amount of capital, if any, so furnished by 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. All such amounts credited to the capital account of any patron shall have the same status as though it had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. All other non-patronage income received by the Cooperative from its operations in excess of costs and expenses, insofar as permitted by law, shall be used to offset any losses incurred during the current or any prior fiscal year, and to the extent not needed for that purpose, shall be:

- (1) Treated as permanent capital, or
- (2) Allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital to be allocated to the accounts of the various classes of patrons in an equitable manner as approved by the Board.

In the event of dissolution or liquidation of the Cooperative, after all the amounts described in Section 2.4 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 then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be at the sole discretion and direction of the Board as to timing, method and type of retirement.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative, pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or in a part of such patrons' premises served by the Cooperative unless the Board, acting under policies of general application, shall authorize other types of assignments. Patrons at any time may assign their capital credits back to the Cooperative. The Cooperative shall be bound by any applicable final court order with respect to capital credits of bankrupt patrons. Notwithstanding any other provision of these Bylaws, the Board, at its discretion, shall have the power at any time upon the death of any natural patron, if the legal representative of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would be retired in a general retirement under provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representative of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

All tax refunds made by the United States Government or any of the states in connection with the final or true cost of service as determined by the capital credits allocation process may be held and used by the Cooperative as furnished patronage capital and shall be treated in the same manner as furnished capital set out in this Section of these Bylaws. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract both between the Cooperative and each patron, and further, between all the patrons themselves individually. Both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions with the Cooperative and each of its patrons.

The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office or by publication distributed by the Cooperative to its patrons.

SECTION 7.3. Setoffs. To the full extent permitted by law, the Cooperative shall be entitled to setoff against any claims that it may have against any patron, any amounts that that Cooperative may owe such patron. The Board may establish general policies for the crediting of patronage to the accounts of patrons maintaining accounts with the Cooperative.

ARTICLE VIII

DISPOSITION AND PLEDGING OF PROPERTY.

DISSOLUTION AND DISTRIBUTION OF

SURPLUS ASSETS UPON DISSOLUTION

SECTION 8.1. Disposition and Pledging of Property.

- (a) The Cooperative may not sell, lease or dispose of any of its property, which property in any one year is in excess of ten percent (10%) in value of the value of all its property unless such sale, lease or other disposition is:
 - (1) Authorized at a meeting of the members by the affirmative vote cast in person or proxy of more than two-thirds (2/3) of all members of the Cooperative; and
 - (2) Proceeded by a notice of meeting at which such sale, lease or other disposition is to be voted on.
- (c) Notwithstanding the foregoing provisions of this Section, the Board shall have the power and authority:
 - (1) To borrow monies from any source and in any such amounts as the Board may from time to time determine are needed in pursuit of the Cooperative's business purposes, and
 - (2) To mortgage or otherwise encumber any and all of the Cooperative's property or assets as security for such borrowing.

ARTICLE IX

FINANCIAL TRANSACTIONS

SECTION 9.1. 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 9.2. 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 the Treasurer or by such other officer or officers, agent or agents, employee or employees of the Cooperative and in such manner, as shall from time to time be determined by resolution of the Board.

SECTION 9.3. Deposits. All the funds of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such institutions as the Board may select.

ARTICLE X

INDEMNIFICATION

SECTION 10.1. To the full extent that the Virginia Nonstock Corporation Act (as incorporated by reference Section 56-488 of the Code of Virginia, 1950, as amended) permits the limitation or elimination of the liability of directors or officers, a director or officer of the Cooperative shall not be liable to the Cooperative or its members for any monetary damages.

SECTION 10.2. The Cooperative shall indemnify any director or officer of the Cooperative who is, or was, a party to any proceeding by reason of the fact that he or she is or was, such a director or officer, and shall indemnify any director or officer of the Cooperative who is, or was, serving at the request of the Cooperative as a director, partner, member, trustee, officer, manager, employee or agent of another Cooperative, association, limited liability company, partnership, joint venture, trust, employee benefit plan or other profit or non-profit enterprise, against all liabilities and expenses incurred in the proceeding, except such liabilities and expenses as are incurred because of his willful misconduct or knowing violation of criminal law.

SECTION 10.3. Subject to the provisions of Section 10.7, a determination to indemnify a director or officer under Section 10.2 shall be made, in the first instance, by a majority vote of a quorum of the board of directors, such quorum consisting of disinterested directors. If a quorum of disinterested directors cannot be obtained, then the determination shall be made by majority vote of a committee designated by the board of directors (in which designation interested directors may participate); the committee shall consist solely of two or more disinterested directors. If neither a quorum consisting of disinterested directors nor the committee described above can be obtained, the determination shall be made by special legal counsel appointed by a majority vote of the board of directors (in which selection interested directors may participate). Notwithstanding any other provision of this Article, in any instance, the determination to indemnify a director or officer may be made by a vote of the members of the Cooperative, except that members who are directors or officers and are parties to the proceeding may not vote on the determination.

SECTION 10.4. Once a determination to indemnify has been made pursuant to the provisions of Section 10.3, the Cooperative shall make advances for expenses of, and reimbursements for expenses incurred by, any director or officer in any proceeding described in Section 10.2, upon receipt of an undertaking from the director or officer to repay the same if it is ultimately determined that he or she is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the director or officer and shall be accepted without reference to his ability to make repayment. The director or officer also shall furnish the Cooperative with a written statement of his or her good faith belief that he or she has met the standard of conduct described in Section 13.1-876 of the Code of Virginia.

SECTION 10.5. The board of directors is hereby empowered to cause the Cooperative to indemnify and make advances and reimbursements to any person not specified in Section 10.2 who was or is a party to any proceeding by reason of the fact that he or she is, or was, an

employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, partner, member, trustee, officer, employee, manager or agent of another Cooperative, association, limited liability company, partnership, joint venture, trust, employee benefit plan or other profit or non-profit enterprise, to the same extent as if such person was specified as one to whom indemnification is granted in Section 10.2. The provisions of Sections 10.2 through 10.4 shall be applicable to any indemnification, determination, advancements and reimbursements provided pursuant to this Section 10.5.

SECTION 10.6. The Cooperative may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article, and also may procure insurance in such amounts as the board of directors may determine on behalf of any person who is, or was, a director, officer, employee or agent of the Cooperative, or is, or was, serving at the request of the Cooperative as a director, partner, member, trustee, officer, employee or agent of another Cooperative, association, limited liability company, partnership, joint venture, trust, employee benefit plan or other profit or non-profit enterprise, against any liability asserted against or incurred by such person in any such capacity, or arising from his or her status as such, whether or not the Cooperative would have power to indemnify him or her against such liability under the provisions of this Article.

SECTION 10.7. If there has been a change in the composition of a majority of the board of directors after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification, or advancement or reimbursement of expenses with respect to any claim for indemnification, made pursuant to Section 10.2 or Section 10.5 shall be made by special legal counsel agreed upon by the board of directors and the proposed indemnitee. If the board of directors and the proposed indemnitee are unable to agree upon such special legal counsel, the board of directors and the proposed indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

SECTION 10.8. The provisions of this Article shall be applicable to all actions, claims, suits or proceedings commenced after the adoption hereof, whether arising from any action taken, or failure to act, before or after such adoption. No amendment, modification or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding that is based in any material respect on any alleged action or failure to act prior to such amendment, modification or repeal. References in this Article to directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Membership in Other Organizations. The Cooperative may become a member or purchase stock in other profit or nonprofit organizations, associations, partnerships or joint ventures when the Board finds that the general or long-term interests of its membership will be served by such investments or participation.

SECTION 11.2. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

SECTION 11.3. Rules and Regulations. The Board shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and the affairs of the Cooperative.

SECTION 11.4. Unclaimed Funds. Notwithstanding any other provision of these bylaws, if a Member or any other person who is entitled to receive any funds from the Cooperative for any reason whatsoever (including patronage refunds) fails to claim such funds within six (6) months after payment of the same has been made available to him by notice or check mailed to him at his last known address, and after the provision of the further notice described herein, such failure shall be and hereby constitutes an extinguishment of his claims and shall be and is an irrevocable assignment of such funds by such Member or person to the Cooperative. If any such fund is so extinguished and assigned to the Cooperative, the Cooperative shall treat the amount of the fund as incidental income and shall allocate the amount involved on a patronage basis to the members of the Cooperative in the fiscal year in which such assignment is made. All such incidental income derived from such assignments to the Cooperative shall be handled, distributed, and treated in a manner consistent with the provisions of these bylaws. The further notice herein provided shall be published in a newspaper having general circulation in the territory served by the Cooperative, and such publication shall run once a week for two successive weeks. The assignment and extinguishment of the claim to such funds by the member or other person shall be final and effective sixty (60) days after the further notice was published.

ARTICLE XII

AMENDMENTS

SECTION 12.1. By the Members. These bylaws may be amended or revised by the members of the Cooperative by a 2/3 vote of the members voting thereon at any regular or special meeting of the Members or by consent of 2/3 of the Members voting thereon by mail ballot, or a combination thereof, provided in either instances that written notice of the proposed changes shall have been mailed to each member at his last known address at least ten (10) days prior to any such meeting or ten (10) days prior to the date on which the mail ballot must be returned to be counted. The bylaws made by the Board of Directors may be repealed or amended, and new bylaws adopted by the members, and the members may prescribe that any bylaws made by them shall not be altered, amended, or repealed by the board of directors.

SECTION 12.2. By the Board of Directors. Except as to those bylaws made by the members which expressly cannot altered, amended, or repealed by the board of directors, the board of directors may amend, revise, repeal, and adopt new bylaws with the concurrence of 2/3 of the whole number of directors, voting thereon at any meeting, provided that written notice of the proposed bylaws, amendments, or revisions shall have been delivered or mailed to each director at least ten (10) days prior to the date of any such meeting. This notice requirement may be waived in writing by 2/3 of the whole number of directors.

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