

By-Laws
Of
Cyberpine Cooperative, Inc.

Article I

The name of the non-profit consumer cooperative is Cyberpine Cooperative, Inc., hereinafter referred to as the "Cooperative". The principal office of the Cooperative shall be located at P.O. Box 486, Center Sandwich, NH.

Article II

Section 1- Common and Defined Usage: Unless otherwise defined herein, all words, terms and phrases shall have their common meaning or the meaning as defined in N.H. R.S.A. 301-A:1 (I-X).

Section 2: "Association" means any corporation formed under this chapter on a non-profit basis.

Section 3: "Capital" means, when an association is formed without capital stock, the total consideration for which the entire number of memberships in an association is issued.

Section 4: "Member" means any ultimate consumer which has made full payment for installation of equipment and whose subscription payments are current or less than 60 days in arrears.

Section 5: "Membership" means membership in an association formed without shares or capital stock as well as membership in a share association or association organized with capital stock.

Section 6: "Net Savings" means the total income of an association minus the costs of operation.

Section 7: "Par Value", when used in connection with an association without capital stock, means the consideration for which membership is issued in an association.

Section 8: "Stockholder" means, in addition to any other definitions used in R.S.A 292 and 293-A, members in associations formed without capital stock; provided however, that no association formed under this chapter shall be permitted to issue stock without par value.

Section 9: "Ultimate Consumer" means a natural person, family, household, or an association, organization, corporation, partnership, sole proprietorship, or other entity, whether organized on a non-profit or for-profit basis, that uses the goods, services, or facilities provided by an association primarily for purposes other than resale.

Section 10: "Cooperative Basis" as applied to any incorporated or unincorporated group, means:

- (a) That each member has one and only one vote, except as may be altered in the certificate of organization or bylaws in order to provide for voting by member organizations.
- (b) That in associations formed with capital stock, the maximum rate of dividends paid on share capital shall not exceed 10% per year or such percentage per year as may be approved under the bylaws of the National Consumer Cooperative Bank under 12 U.S.C. section 3001 and 12 U.S.C. section 3015(a)(2), whichever is lower.
- (c) That the net savings, after inclusion of the return on capital, are allocated to member patrons in proportion to their patronage of one or more departments within the association; provided, that said net savings may be retained by the association for the actual or potential expansion of services or for the reduction of charges to patrons or for other purposes not inconsistent with the association's nonprofit nature.
- (d) That voting by proxy is allowed. Members of the Board of Directors may not vote by proxy.

Article III

Governance of the Cooperative

Section 1- Applicability of By-Laws: The provisions of these By-Laws are applicable to the governance of the Cooperative. All present and future Members are subject to these By-Laws and to the Rules and Regulations established by the Board of Directors.

Section 2- Corporation Law: Except as otherwise expressly provided herein, the Cooperative shall be governed by the provisions of the New Hampshire Nonprofit Corporation Act, R.S.A. 292 and R.S.A. 301-A as amended.

Section 3- Nonprofit Status: The Cooperative is not organized for profit and no profit thereof shall inure to the benefit of any person except in furtherance of the nonprofit purposes of the Cooperative.

Article IV

Membership Qualification

Membership shall be available on a voluntary basis to all persons who can utilize the services of the cooperative and who are willing to accept Membership responsibilities. Membership shall be available without any discrimination based on age, sex, disability, or marital status. So long as an individual is receiving service from the Cooperative has paid the required installation and setup fees and whose account is in good standing, said person shall be a member of the Cooperative. All fees, dues and charges assessed by the Cooperative shall be used for normal operating expenses and distribution of Net Savings as described in Article XI.

Article V

Meeting of Members

Section 1- Annual Meeting: The initial meeting of the Members shall occur in July, 2006. An annual meeting shall be held each succeeding year with the meeting date set not earlier than three hundred (300) days after the initial or preceding annual meeting date nor later than five hundred (500) days after the initial or preceding annual meeting date.

Section 2- Special Meetings: Special meetings of the Members may be called at any time by the President, by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all the votes of the membership.

Section 3- Notice of Meetings: Written notice of each annual meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or by electronic mail with read receipt request, at least thirty (30) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and in the case of a special meeting, the purpose of the meeting.

Section 4- Quorum: The presence in person or by proxy at the meeting of Members entitled to cast one-half (1/2) of the votes of the Membership shall constitute a quorum for any action except as provided in the Certificate of Organization or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5- Proxies: Voting by proxy is allowed. Board Members may not vote by proxy. A member has the option to vote by proxy only at the annual election of Directors. The proxy must be executed in writing by the Member and state the Members choice of Directors by name. Only proxies executed on a proxy form authorized by the Secretary of this Organization will be recognized.

Article VI

Board of Directors

Section 1- Initial Directors: The affairs of the Cooperative shall initially be managed by:

Kenneth R. Cargill, P.O. Box 717, Intervale, NH 03845
Dennis L. Morgan, P.O. Box 554, North Conway, NH 03860
Nathan Martell, P.O. Box 691, Intervale, NH 03845
Elizabeth Kench, P.O. Box 1386, North Conway, NH 03860
Jo-Ann Jones, P.O. Box 1876, North Conway, NH 03860

who shall have all powers of and act as the Board of Directors. Prior to the first meeting of the Cooperative, the initial Board of Directors shall be comprised of:

Gunnar Berg, P.O. Box 34, North Sandwich, NH 03259
Dale S. Mayer, 744 Squam Lake Rd., Center Sandwich, NH 03227
Toby Eaton, 288 Vittum Hill Rd., Center Sandwich, NH 03227
Jennifer Elliott, 544 Whiteface Rd., North Sandwich, NH 03259
John Howe, 48 Howe Hill Rd., Center Sandwich, NH 03227

who may appoint an initial Board consisting of six (6) Directors for one year terms. Upon expiration of their initial terms, the Cooperative shall be managed by a Board of Directors consisting of three (3) Directors.

Section 2 – Term of Office: The terms of the initial three (3) Directors shall be for one (1), two (2) and three (3) years, respectively. Upon expiration of the initial terms, the term of each Director’s position on the Board shall run for three (3) years. The Directors of the Cooperative shall be elected at the annual meeting of the Cooperative to fill any term that is expiring in that year.

Section 3 – Removal: Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Cooperative. In the event of death, resignation or removal of a Director elected by the members, his or her successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his or her predecessor.

Section 4 – Compensation: No Director shall receive compensation for any functions he or she performs in his or her capacity as a Director of the Cooperative. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

Section 5 – Action Taken Without a Meeting: The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6 – Nomination of Directors: Nominations for Directors shall be made at the time of the annual meeting.

Section 7 – Election: Election to the Board of Directors shall be by written ballot which identifies the Member casting the ballot. At such election, the Members may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Certificate of Organization. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

Meetings of Directors

Section 1 – Regular Meetings: Regular meetings of the Board of Directors shall be scheduled annually in advance by the Board of Directors to be held at a designated location or by telephone. Notice of meeting shall be in a form mutually acceptable to the Directors.

Section 2 – Special Meetings: Special meetings of the Board of Directors shall be held when called by the President of the Cooperative, or by any two Directors, after not less than three (3) days notice to each Director.

Section 3 – Quorum: A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII

Powers and Duties of the Directors

Section 1 – Powers: The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the operation of the Cooperative;
- (b) suspend the voting rights and Membership privileges of a Member during any period in which such Member shall be in default in the payment of any assessment, fees, or dues levied by the Cooperative. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction or published rules and regulations;
- (c) exercise for the Cooperative all powers, duties and authority vested in or delegated to the Cooperative and not reserved to the Membership by other provisions of these By-Laws or the Certificate of Organization;
- (d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent without reasonable cause from three (3) consecutive regular meetings of the Board of Directors;
- (e) employ a manager, an independent contractor, or such other employee as they deem necessary, and to prescribe their duties;
- (f) determine the annual budget and expenses of the Cooperative and determine the amount of annual assessments for which provision is made in the Certificate of Organization;
- (g) to accept, on behalf of the Cooperative, conveyances of real and personal property and assignments of easements, rights and privileges;

- (h) regulate the use, maintenance, repair, replacement, and modification of the Cooperative's properties;
and
- (i) take any and all actions necessary to carry out the services of the Cooperative.

Section 2 – Duties: It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-third (1/3) of the Members who are entitled to vote;
- (b) supervise all Officers, agents and employees of the Cooperative, and to see that their duties are properly performed;
- (c) fix the amount of any fees and assessments;
- (d) send written notice of each assessment and fee to every Member;
- (e) issue, or cause an appropriate Officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment or fee has been paid. A reasonable charge may be made by the Board of Directors for the issuance of certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (f) procure and maintain adequate liability and hazard insurance covering the Cooperative and its Members;
- (g) cause all Officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE IX

Officers and their Duties

Section 1 – Enumeration of Offices: The Officers of this Cooperative shall be a President, who shall at all times be an elected Member of the Board of Directors, a Secretary, and a Treasurer, and such other Officers as the Board may from time to time by resolution create.

Section 2 – Election of Officers: The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3 – Term: The Officers of this Cooperative shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4 – Special Appointments: The Board may elect such other Officers as the affairs of the Cooperative may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5 – Resignation and Removal: Any Officer may be removed from office with or without cause by the Board. Any Officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6 – Vacancies: A vacancy in any office may be filled by appointment by the Board. The Officer appointed to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7 – Multiple Offices: The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8 – Duties: The duties of the Officers are as follows:

President

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments, and promissory notes.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Cooperative and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Cooperative together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

The Treasurer shall sign all checks and promissory notes of the Cooperative; oversee proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE X

Books and Records

The books, records and papers of the Cooperative shall, during reasonable business hours, be subject to inspection by any Member. The Certificate of Organization and the By-Laws of the Cooperative shall be available for inspection by any Member at the principal office of the Cooperative, where copies may be purchased at reasonable cost.

ARTICLE XI

Distribution of Net Savings

Net savings shall be allocated or distributed to all members or patrons in proportion to their transactions, patronage, sales, or labor within one or more divisions or departments of the association; provided, that the net savings of an association may be retained to expand its services or to reduce charges to the members or patrons. At least once a year the members or the directors, or both, as the certificate or organization or bylaws may provide, shall apportion the net savings of the association in the following order:

- (a) At least ten percent (10%) shall be placed in a reserve fund until the general reserve exceeds thirty percent (30%) of annual subscribed capital. Such fund may be used in the general conduct of the

business. The amounts apportioned to the reserve fund may be allocated on the books of the association on a patronage basis. The books and records of the association shall afford an alternative means for doing so, in order that upon dissolution or earlier, if deemed advisable, such reserves may be returned to the patrons who have contributed the same, subject to the limitations of RSA 301-A:33.

- (b) Five percent (5%) of the remaining net savings may be allocated for an education reserve.
- (c) The remainder shall be allocated at the same uniform rate to all patrons of the association in proportion to their individual patronage; provided that:
 - (i) In the case of a member patron, his proportionate amount of savings returns shall be distributed to him;
 - (ii) In the case of a nonmember patron, his proportionate amount of savings returns shall be set aside in a nonmember savings return reserve for such patrons and shall be allocated to individual nonmember patrons only upon request and presentation of evidence of the amount of their patronage. An savings return so allocated shall be credited to such patron toward payment of the minimum amount of share or membership capital necessary for membership. When a sum equal to this amount has accumulated at any time within a period of time specified in the bylaws, such patron shall be deemed and become a member of the association if he so agrees or requests, and complies with any provisions in the bylaws for admission to membership. The certificates of share or membership to which he is entitled shall then be issued to him;
 - (iii) If within any periods of time specified in the articles or bylaws: (1) any subscriber has not accumulated and paid in the amount of capital subscribed for, or (2) any nonmember patron has not accumulated in his or her individual account the sum necessary for membership but neither requests nor agrees to become a member, or fails to comply with the provisions of the bylaws, if any, for admission to membership, then the amounts so accumulated or paid in and any part of the general fund for nonmember patrons which has not been allocated to individual nonmember patrons shall go to the reserve fund. Thereafter, no member or other patron shall have any rights in said paid-in capital or accumulated savings returns as such;
 - (iv) An association may defer payment of net savings which would otherwise be distributed to a member or patron when the total amount that would be distributed to the member or patron is de minimus. The amount of the deferred payment shall be added to the next net savings apportioned to the member or patron. For purposes of this section, "de minimus" means any amount less than ten (10) times the cost of a first-class United States postage stamp.
- (d) Provided further, that nothing in this section shall prevent an association under this chapter which is engaged in rendering services from disposing of the net savings from the rendering of such services in such manner as to lower the fees charged for services or to further the common benefit for the Members. Nothing in this section shall prevent an association from adopting a system whereby the payment of savings returns which would otherwise be distributed shall be deferred for a fixed period of months or years; nor from adopting a system whereby the savings returns distributed shall be partly in cash and partly in shares to be retired at a fixed future date, in the order of their serial number or date of issue.

Article XII

Abandonment of Interest

If net savings or dividends have not been claimed by a member or patron for five (5) years, the member or patron has not corresponded with the association in writing within five (5) years, and the current address of the member or patron is unknown, the association shall make a good faith effort to

locate the member or patron. Such good faith effort shall include, at a minimum, a first class letter mailed to the member or patrons last known mailing address, and notice published in a newspaper of general circulation in the community of the association's primary activity. If the association does not receive a response from the member or patron within 90 days of its location efforts, all net savings, dividends and membership interests attributable to the member or patron shall be presumed to be abandoned, and the net savings and dividends shall be placed in the reserve fund and the membership interest shall revert to the association.

Article XIII

Corporate Seal

The Cooperative shall have a seal in circular form having within its circumference the words:

Cyberpine Cooperative, Inc.

Article XIV

Amendments

Section 1: Amendments to these By-Laws shall be proposed and adopted in the following manner:

- (a) Amendments to these By-Laws may be proposed by a two-thirds (2/3) vote of the Board of Directors or by petition of ten percent (10%) of the Cooperative's members. Notice of the meeting to consider the proposed amendment shall be sent by the Secretary at least thirty (30) days prior to such meeting to each member at his last known address, accompanied by the full text of the proposal and by that part of the By-Laws to be amended. Such amendment must be adopted by two-thirds (2/3) of the members voting.
- (b) A vote of two-thirds (2/3) of the entire membership shall be required when an amendment is proposed to alter the rule by which members' property rights are determined.
- (c) Voting by proxy is allowed.
- (d) Each member has one (1) and only one (1) vote, unless otherwise set forth in the Certificate of Organization of the Cooperative.
- (e) When an amendment is adopted by the members and verified by the President and Secretary, it shall be subscribed to by the President, Treasurer, and a majority of the Directors and filed with the Secretary of State.

Section 2: In the case of any conflict (excluding terms specifically herein defined) between the Certificates of Organization and these By-Laws, the Certificate of Organization shall control.

Article XV

Miscellaneous

The fiscal year of the Cooperative shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

Certification

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the Cyberpine Cooperative, Inc., a New Hampshire non-profit consumer cooperative, and,

THAT the foregoing By-Laws constitute the original By-Laws of said Corporation, as duly adopted by Gunnar Berg, President, acting on behalf of Board of Directors thereof , held on this 4th day of October, 2007.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Cooperative.

Dated: _____, Secretary