



March 22, 2016

Via eFiling and U.S. Mail

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: Application of CenturyTel of Oregon, Inc. d/b/a CenturyLink for
Authority to Sell Land Located in Lebanon, OR per OAR 860-027-0025

Dear Commission:

Please find attached the Application of CenturyTel of Oregon, Inc. d/b/a CenturyLink, filed pursuant to OAR 860-027-0025. CenturyLink respectfully requests that the Commission consider this Application on an expedited basis and approve the transaction no later than May 17, 2016, so that the parties can ensure a smooth transition of the land ownership.

Confidential page 3 of the Application, and Confidential Exhibits E, G, H, I and J are printed on yellow paper, sealed in a separate envelope appropriately marked and were sent to the PUC via U.S. Mail.

Please do not hesitate to contact me at (206) 345-6224 or via e-mail at phil.grate@centurylink.com should you have any questions regarding this filing.

Sincerely,



Phil Grate
State Regulatory Affairs Director

Attachment

1600 7th Avenue, 15th Flr.
Seattle, WA 98191
Tel: 206.345.6224
Fax: 206.345.1977
Phil.grate@centurylink.com

BEFORE THE
OREGON PUBLIC UTILITY COMMISSION

Application of CenturyTel of Oregon, Inc. d/b/a CenturyLink
for Authority to Sell Land Located in Lebanon, Oregon
per OAR 860-027-0025

1. Application

(a) The exact name and address of the utility's principal business office:

CenturyTel of Oregon, Inc. d/b/a CenturyLink
100 CenturyLink Drive
Monroe, LA 71203

(b) The state in which incorporated, the date of incorporation, and the other states in which authorized to transact utility operations:

CenturyTel of Oregon, Inc., an Oregon corporation incorporated on June 15, 1955, is authorized to transact utility operations in Oregon. Parent CenturyLink, Inc., a Louisiana corporation incorporated on April 30, 1968, also has subsidiaries that transact utility operations in Alabama, Arkansas, Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin and Wyoming.

(c) Name and address of the person on behalf of applicant authorized to receive notices and communications in respect to the applicant:

William E. Hendricks III Attorney CenturyLink 902 Wasco Avenue Hood River, OR 97031	Phil Grate Director - State Regulatory Affairs CenturyLink 1600 7th Avenue Seattle, WA 98191
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(d) The names, titles and addresses of the principal officers:

See Attachment A

(e) A description of the general character of the business done and to be done, and a designation of the territories served, by counties and states:

Telecommunications. CenturyTel of Oregon, Inc. serves the following exchanges in Oregon:

Aurora	Creswell	Knappa	Sweet Home
Brownsville	Depoe Bay	Lebanon	Yoncalla
Charbonneau	Gleneden Beach	Scappoose	

These exchanges are located in the following counties in Oregon:

Clackamas	Columbia	Lane	Linn
Clatsop	Douglas	Lincoln	Marion

(f) A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of capital stock: brief description; the amount authorized (face value and number of shares); the amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount owned by affiliated interests; and amount held in any fund;

Figures provided as of December 31, 2015:

Common stock: 20,000 shares authorized; 10,461 shares issued and outstanding.
Common Stock balance: \$12,992,303

No treasury stock, no amount held as reacquired securities, no amount pledged, no amount owned by affiliated interests, no amount held in any fund.

(g) A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of long-term debt and notes: brief description (amount, interest rate and maturity); amount authorized; amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount held by affiliated interests; and amount in sinking and other funds;

As of December 31, 2015, CenturyTel of Oregon did not have any long-term debt.

(h) Whether the application is for disposition of facilities by sale, lease, or otherwise, a merger or consolidation of facilities, or for mortgaging or encumbering its property, or for the acquisition of stock, bonds, or property of another utility, also a description of the consideration, if any, and the method of arriving at the amount thereof;

The application is for disposition of a ten acre parcel of vacant land in Linn County, OR. The land is within the company's Lebanon OR exchange. The consideration is an earnest

money deposit of \$XXX with the remaining due at closing. The method to arrive at the sales price of \$XXX resulted from consultation with a local real estate broker who represented CenturyLink in marketing the property and identifying the prospective buyers. Utilizing his knowledge of the local market, the broker assisted CenturyLink in establishing an appropriate market value for the property that produced an acceptable sales price.

(i) A statement and general description of facilities to be disposed of, consolidated, merged, or acquired from another utility, giving a description of their present use and of their proposed use after disposition, consolidation, merger, or acquisition. State whether the proposed disposition of facilities or plan for consolidation, merger, or acquisition includes all the operating facilities of the parties to the transaction;

The transaction involves the sales of a ten acre parcel of vacant land. The land is vacant and not used to support CenturyLink’s operations in the area and contains no improvements to the property. The buyer of the property is an LLC who is purchasing the property for potential future undisclosed development.

Timeline for the sales transaction is:

Buyer Review period: 90 days from effective date with an opportunity for an additional 75 period for investigation of potential “wetland” impacts.

Closing: 30 business days from end of Buyer Review Period

Closing costs:

Real estate broker fees	\$ XXX
Title insurance (standard policy):	\$ XXX
Closing Fee:	\$ XXX
Title Search	\$ XXX
Total estimated closing costs	\$ XXX

(j) A statement by primary account of the cost of the facilities and applicable depreciation reserve involved in the sale, lease, or other disposition, merger or consolidation, or acquisition of property of another utility. If original cost is not known, an estimate of original cost based, to the extent possible, upon records or data of the applicant or its predecessors must be furnished, a full explanation of the manner in which such estimate has been made, and a statement indicating where all existing data and records may be found;

See Confidential Exhibit J

(k) A statement as to whether or not any application with respect to the transaction or any part thereof, is required to be filed with any federal or other state regulatory body;

This transaction does not require filings with any other federal or state regulatory body.

(l) The facts relied upon by applicants to show that the proposed sale, lease, assignment, or consolidation of facilities, mortgage or encumbrance of property, or acquisition of stock, bonds, or property of another utility will be consistent with the public interest;

- 1) The land is vacant and not used to support CenturyLink's operations in the area and contains no improvements to the property. Therefore, this property is not necessary or useful to CenturyLink in its provision of services to the public.
- 2) This property does not contain switches, cables, or network assets required for the company to operate its network in Oregon.
- 3) CenturyLink engaged a qualified broker experienced in the sale of this type of real estate.

(m) The reasons, in detail, relied upon by each applicant, or party to the application, for entering into the proposed sale, lease, assignment, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, and the benefits, if any, to be derived by the customers of the applicants and the public;

The land is vacant and not used to support CenturyLink's operations in the area and contains no improvements to the property. Therefore, this property is not necessary or useful to CenturyLink in its provision of services to the public. This property does not contain switches, cables, or network assets required for the company to operate its network in Oregon. CenturyLink engaged a qualified broker experienced in the sale of this type of real estate. The sale of this property will allow CenturyLink to avoid certain expenditures associated with the property (e.g. property taxes) and will free up financial resources which can be directed to the provision of services in Oregon.

(n) The amount of stock, bonds, or other securities, now owned, held or controlled by applicant, of the utility from which stock or bonds are proposed to be acquired;

Not applicable

(o) A brief statement of franchises held, showing date of expiration if not perpetual, or, in case of transfer, that transferee has the necessary franchises.

<u>Jurisdiction</u>	<u>Company</u>	<u>Expiration Date</u> ¹
Aurora	CenturyTel of Oregon, Inc.	08/29/2010
Brownsville	CenturyTel of Oregon, Inc.	09/30/2017
Creswell	CenturyTel of Oregon, Inc.	n/a ²
Depoe Bay	CenturyTel of Oregon, Inc.	01/01/2015
Donald	CenturyTel of Oregon, Inc.	12/10/2007
Drain	CenturyTel of Oregon, Inc.	11/14/1998
Lebanon	CenturyTel of Oregon, Inc.	06/30/2019
Scappoose	CenturyTel of Oregon, Inc.	06/30/2006
Sodaville	CenturyTel of Oregon, Inc.	11/01/2004
Sweet Home	CenturyTel of Oregon, Inc.	07/01/2006
Ukiah	CenturyTel of Oregon, Inc.	08/01/2015
Waterloo	CenturyTel of Oregon, Inc.	08/17/2009
Wilsonville	CenturyTel of Oregon, Inc.	07/31/2004
Yoncalla	CenturyTel of Oregon, Inc.	07/20/2009
Clackamas Co.	CenturyTel of Oregon, Inc.	11/26/1976 ³

(2) Required Exhibits

(a) EXHIBIT A. A copy of the charter or articles of incorporation with amendments to date;

Please see attached Exhibit A.

(b) EXHIBIT B. A copy of the bylaws with amendments to date;

Please see attached Exhibit B.

¹ CenturyLink is current on all fees required under all franchises listed herein, including any expired franchises (i.e., CenturyTel has continued to pay franchise fees under such expired franchises).

² CenturyLink's franchise for the City of Creswell expired September 9, 2004; however, counsel for the City has advised that City of Creswell Ordinance 421 passed December 13, 2004 functions as a franchise ordinance applicable to all telecommunications providers in the City of Creswell (CenturyLink is current on the telecommunications provider fees required under Ordinance 421).

³ This county franchise was granted to a predecessor in interest to CenturyTel of Oregon, Inc. in 1956 by the County Court of Clackamas County, for the placement of facilities over certain roads in the Wilsonville area. Based on the information available to CenturyLink, no fees are required under this franchise.

(c) EXHIBIT C. Copies of all resolutions of directors authorizing the proposed disposition, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, in respect to which the application is made and, if approval of stockholders has been obtained, copies of the resolutions of the stockholders should also be furnished;

The real estate contract is signed in compliance with CenturyLink's fiscal policy. The proposed sale does not require board of director or stockholder approval.

(d) EXHIBIT D. Copies of all mortgages, trust, deeds, or indentures, securing any obligation of each party to the transaction;

CenturyLink has no existing mortgages associated with this property.

(e) EXHIBIT E. Balance sheets showing booked amounts, adjustments to record the proposed transaction and pro forma, with supporting fixed capital or plant schedules in conformity with the forms in the annual report, which applicant(s) is required, or will be required, to file with the Commission;

Please see attached Confidential Exhibit E.

(f) EXHIBIT F. A statement of all known contingent liabilities, except minor items such as damage claims and similar items involving relatively small amounts, as of the date of the application;

There are no contingent liabilities associated with the property proposed for sale in this transaction.

(g) EXHIBIT G. Comparative income statements showing recorded results of operations, adjustments to record the proposed transaction and pro forma, in conformity with the form in the annual report which applicant(s) is required, or will be required, to file with the Commission;

Please see attached Confidential Exhibit G.

(h) EXHIBIT H. An analysis of surplus for the period covered by the income statements referred to in Exhibit G;

Please see attached Confidential Exhibit H.

(i) EXHIBIT I. A copy of each contract in respect to the sale, lease or other proposed disposition, merger or consolidation of facilities, acquisition of stock, bonds, or property of another utility, as the case may be, with copies of all other written instruments entered into or proposed to be entered into by the parties to the transaction pertaining thereto;

Please see attached Confidential Exhibit I.

(j) EXHIBIT J. A copy of each proposed journal entry to be used to record the transaction upon each applicant's books; and

Please see attached Confidential Exhibit J.

(k) EXHIBIT K. A copy of each supporting schedule showing the benefits, if any, which each applicant relies upon to support the facts as required by subsection (1)(l) of this rule and the reasons as required by subsection (1)(m) of this rule.

Not applicable. The land is vacant and not used to support CenturyLink's operations in the area and contains no improvements to the property. Therefore, this property is not necessary or useful to CenturyLink in its provision of services to the public. This property does not contain switches, cables, or network assets required for the company to operate its network in Oregon. The proposed sale allows the company to avoid certain recurring expenditures associated with the property and will free up financial resources which can be directed to the provision of services in Oregon.

ATTACHMENT
A

Officers and Directors of
CenturyTel of Oregon, Inc.

OFFICERS: Chief Executive Officer & President.....Glen F. Post, III
Executive Vice President and Chief Financial Officer....R. Stewart Ewing, Jr.
Executive Vice President and General CounselStacey W. Goff
President – Global IT Services and New Market Dev.....Girish Varma
President – Wholesale Operations.....William E. Cheek
Executive Vice President – Controller and
Operations SupportDavid D. Cole
Executive Vice President – Global Operations and
Shared Services.....Maxine Moreau
Senior Vice President – Public Policy and Regulatory...John F. Jones
Vice President and TreasurerGlynn E. Williams, Jr.
Vice President....Jonathan J. Robinson
Secretary.....Kay C. Buchart
Assistant SecretaryMeagan Messina Woodard
Assistant SecretaryJoan E. Randazzo

DIRECTORS: R. Stewart Ewing, Jr. and Stacey W. Goff



Phone: (503) 986-2200
 Fax: (503) 378-4381
 Secretary of State
 Corporation Division
 225 Capitol St. NE, Suite 151
 Salem, OR 97310-1327

Articles of Amendment—Business/Professional/Nonprofit

Check the appropriate box below:

- BUSINESS/PROFESSIONAL CORPORATION
 (Complete only 1, 2, 3, 4, 6, 7)
 NONPROFIT CORPORATION
 (Complete only 1, 2, 3, 5, 6, 7)

FILED

For office use only

APR 17 1998

OREGON
 SECRETARY OF STATE

Registry Number: 055323-12

Attach Additional Sheet if Necessary
 Please Type or Print Legibly in Black Ink

1) NAME OF CORPORATION PRIOR TO AMENDMENT Telephone Utilities of Oregon, Inc.

2) STATE THE ARTICLE NUMBER(S) AND SET FORTH THE ARTICLE(S) AS IT IS AMENDED TO READ. (Attach a separate sheet if necessary.)
Article I. The name of the corporation shall be CenturyTel of Oregon, Inc.

3) THE AMENDMENT WAS ADOPTED ON: ~~May 17, 1998~~ April 10, 1998
 (If more than one amendment was adopted, identify the date of adoption of each amendment.)

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

Shareholder action was required to adopt the amendment(s). The vote was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	20,000 10,461	10,461	10,461	0

Shareholder action was not required to adopt the amendment(s). The amendment(s) was adopted by the board of directors without shareholder action.

The corporation has not issued any shares of stock. Shareholder action was not to adopt the amendment(s). The amendment(s) was adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

Membership approval was not required. The amendment(s) was approved by a sufficient vote of the board of directors or incorporators.

Membership approval was required. The membership vote was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION

Printed Name
Kenneth R. Cole

Signature *Kenneth R. Cole*

Title
President

7) CONTACT NAME

Herbert Hobgood

DAYTIME PHONE NUMBER

(318) 388-4050

FEES

Make check for \$10 payable to "Corporation Division."

NOTE: Filing fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

FIRST RESTATED
ARTICLES OF INCORPORATION
OF
TELEPHONE UTILITIES OF OREGON, INC.

ARTICLE I

The name of the Corporation is Telephone Utilities of Oregon, Inc.

ARTICLE II

The purpose of the Corporation is to own, construct, maintain, operate, extend and improve a communication service as a public utility and to engage in any lawful business.

ARTICLE III

The Corporation is authorized to issue 20,000 shares of Common Stock.

ARTICLE IV

No director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for conduct as a director, provided that this Article shall not eliminate the liability of a director for any act or omission for which such elimination of liability is not permitted under the Oregon Business Corporation Act. No amendment to the Oregon Business Corporation Act that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director for any act or omission which occurs prior to the effective date of the amendment.

ARTICLE V

The Corporation shall indemnify to the fullest extent not prohibited by law any current or former director or officer of the Corporation who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative or other (including an action, suit or proceeding by or in the right of the Corporation), by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Corporation, or serves or served at the request of the Corporation as a director, officer, employee or agent, or as a fiduciary of an employee benefit plan, of another corporation, partnership, joint venture, trust or other enterprise. The Corporation shall pay for or reimburse the reasonable expenses incurred by any such current or former director or officer in any such proceeding in advance of the final disposition of the proceeding if the person sets forth in writing (i) the person's good faith belief that the person is entitled to indemnification under this Article and (ii) the person's agreement to repay all advances if it is ultimately determined that the person is not entitled to indemnification under this Article. No amendment to this Article that limits the Corporation's obligation to indemnify any person shall have any effect on such obligation for any act or omission that occurs

prior to the later of the effective date of the amendment or the date notice of the amendment is given to the person. This Article shall not be deemed exclusive of any other provisions for indemnification or advancement of expenses of directors, officers, employees, agents and fiduciaries that may be included in any statute, bylaw, agreement, general or specific action of the Board of Directors, vote of shareholders or other document or arrangement.

ARTICLE VI

The number of directors of the Corporation shall be fixed in the Bylaws of the Corporation.

ARTICLE VII

The mailing address for the Corporation for notices is 805 Broadway, Vancouver, Washington 98668.

BYLAWS
Of
CENTURYTEL of OREGON, INC.
(as adopted June 12, 2001)

Section 1. OFFICES

1.1 ***Principal Office.*** The principal office of the Corporation shall be located at 100 CenturyTel Drive, Monroe, Louisiana 71203.

1.2 ***Additional Offices.*** The Corporation may have such other offices (including a registered office as required by law) at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

Section 2. SHAREHOLDERS' MEETINGS

2.1 ***Place of Meeting.*** Unless otherwise required by law or these Bylaws, all meetings of the shareholders shall be held at the principal office of the Corporation or at such other place as may be designated by the Board of Directors.

2.2 ***Annual Meetings.*** An annual meeting of the shareholders shall be held on the second Tuesday of June each year at 10 o'clock a.m., or on such other date or at such other time as the Board of Directors shall designate, for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting.

2.3 ***Special Meetings.*** Special meetings of the shareholders, for any purpose or purposes, may be called by the Chairman, President or Board of Directors. At any time, upon the written consent of any shareholder or shareholders holding in the aggregate one-half of the total voting power, the Secretary shall call a special meeting of shareholders to be held at the principal office of the Corporation at such time as the Secretary may fix, not less than 15 nor more than 60 days after the receipt of such request.

2.4 ***Notice of Meetings.*** Except as otherwise provided in Section 2.3 hereof or by law, the authorized person or persons calling a shareholders' meeting shall cause written notice of the time, place and purpose of the meeting to be given to all shareholders entitled to vote at such meeting, at least 10 days and not more than 60 days prior to the day fixed for the meeting. Notice of the annual meeting need not state the purpose thereof, unless action is to be taken at the meeting for which notice is required by law.

2.5 ***List of Shareholders.*** At every meeting of shareholders a list of shareholders entitled to vote, arranged alphabetically and certified by the Secretary or by the agent of the Corporation having charge of transfers of shares, showing the number and class of shares held by each such shareholder on the record date for the meeting, shall be produced on the request of any shareholder.

2.6 **Quorum.** Except as otherwise provided by law, the presence, in person or by proxy, of the holders of 65% of the total voting power shall be required and shall constitute a quorum at all meetings of the shareholders.

2.7 **Voting.** When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of law or the Charter, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.8 **Proxies; Record Date.** At any meeting of the shareholders, every shareholder having the right to vote shall be entitled to vote in person, or by proxy duly appointed by an instrument in writing that conforms to all requirements of applicable law. Each shareholder shall have one vote for each share of stock having voting power that is registered in his name on the books of the Corporation at the time of the meeting or on the record date for the determination of shareholders entitled to vote at the meeting if the Board of Directors shall have fixed such a record date.

2.9 **Adjournments.** Adjournments of any annual or special meeting of shareholders may not be taken without new notice being given unless a new date is fixed and announced prior to adjournment, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors shall have been elected.

2.10 **Lack of Quorum.** If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they may determine, subject, however, to the provisions of Section 2.9 hereof. In the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in Section 2.6 hereof, shall nevertheless constitute a quorum for the purpose of electing directors.

2.11 **Action by Consent.** To the maximum extent permitted by law, any action that may be taken at a meeting of shareholders may be taken by a consent in writing signed by shareholders holding the requisite amount of voting power required by applicable law in order to effect valid shareholder action in lieu of a meeting..

Section 3. DIRECTORS

3.1 **Number; Powers; Election.** Subject to the restriction that the number of directors shall not be more or less than the number permitted or required by the laws of the state in which the Corporation is incorporated, the number of directors shall be fixed, from time to time, by a resolution adopted by a majority of the Board of Directors, or, if no such resolution is adopted, the number of directors shall be fixed as the number of directors most recently elected by the shareholders. The Board may exercise all such powers of the Corporation and do all such lawful acts and things which are not by law or by the Charter or these Bylaws directed or required to be done by the shareholders. The directors shall be elected at the annual meeting of the

shareholders and shall hold office for one year and until their successors are chosen and have qualified. No director need be a shareholder.

3.2 **Filling Vacancies.** The remaining directors, even though not constituting a quorum, may, by a majority vote, fill any vacancy on the Board (including any vacancy resulting from death or resignation, from an increase in the authorized number of directors or from failure of the shareholders to elect the full number of authorized directors) for an unexpired term, provided that the shareholders shall have the right, at any special meeting called for the purpose prior to such action by the Board, to fill the vacancy.

3.3 **Removal of Board Members.** Unless otherwise provided by the Charter or applicable law, any director may be removed, with or without cause, notwithstanding that his term of office may not have expired, by either (i) the affirmative vote of a majority of the total voting power of the Corporation (or any such higher vote required by applicable law) or (ii) a two-thirds vote of the Board of Directors. At the same meeting in which the shareholders or the Board of Directors remove one or more directors, a successor or successors may be elected for the unexpired term of the director or directors removed.

Section 4. MEETINGS OF THE BOARD

4.1 **Place of Meetings.** The meetings of the Board of Directors may be held at such place as a majority of the directors may from time to time designate.

4.2 **Initial Meetings.** The first meeting of each newly elected Board shall be held immediately following the annual shareholders' meeting and at the same place as the annual meeting, and no notice of such first meeting shall be necessary to the newly elected directors in order legally to constitute the meeting.

4.3 **Regular Meetings.** Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

4.4 **Special Meetings.** Special meetings of the Board may be called by the Chairman or President on two days' notice given to each director, either personally or by telephone, mail or by telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of any two directors, and if the President and Secretary fail or refuse, or are unable to call a meeting when requested by any two directors, then the two directors may call the meeting on two days' written notice given to each director.

4.5 **Quorum.** A majority of the Board shall be necessary to constitute a quorum for the transaction of business and, except as may be otherwise provided by law, the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board.

4.6 **Withdrawal.** If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by vote of a majority of a quorum as fixed in Section 4.5 hereof, until adjournment, notwithstanding the withdrawal of enough directors to

leave less than a quorum as fixed in Section 4.5 hereof, or the refusal of any directors present to vote.

4.7 **Committees.** The Board may designate one or more committees, each committee to consist of two or more of the directors of the Corporation (and one or more directors may be named as alternate members to replace any absent or disqualified regular members), which, to the extent provided by resolution of the Board or the Bylaws and subject to any applicable restrictions under applicable law, shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to documents. Such committee or committees shall have such name or names as may be stated in the Bylaws, or as may be determined, from time to time, by the Board. Any vacancy occurring in any committee shall be filled by the Board, but the President may designate another director to serve on the committee pending action by the Board. Each such committee shall hold office during the term of the Board constituting it, unless otherwise ordered by the Board.

4.8 **Action by Consent.** Any action which may be taken at a meeting of the Board or any committee thereof may be taken by a consent in writing signed by all of the directors or by all members of the committee, as the case may be, and filed with the records of proceedings of the Board or committee.

4.9 **Meetings by Telephone or Similar Communication.** To the maximum extent permitted by applicable law, meetings of the Board of Directors may be held by the means of telephone conference calls or similar communications equipment provided that all persons participating in the meeting can hear and communicate with each other.

Section 5. NOTICES

5.1 **Form of Delivery.** Any written notice required or permitted by law, the Charter or the Bylaws to be given to any shareholder or director shall be deemed to have been given to such shareholder or director (a) on the date such notice is served upon such shareholder or director or (b) on the day such notice is deposited in the United States mail, postage prepaid, addressed to such shareholder or director at his last known address.

5.2 **Waiver.** Whenever any notice is required to be given by law or the Charter or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 6. OFFICERS

6.1 **Designations.** The officers of the Corporation shall be chosen by the directors and shall be a President, Secretary, Treasurer and any other officer required to be elected by the laws of the state in which the Corporation is organized. The Board may elect a Chairman and a Chief Executive Officer, and one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Secretaries and Assistant Treasurers. Except for the positions of President and Secretary, any two offices may be held by one person.

6.2 **Additional Designations.** The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

6.3 **Salaries.** The salaries of all officers and agents of the Corporation, if any, shall be fixed by the Board.

6.4 **Term of Office.** The officers of the Corporation shall hold office at the pleasure of the Board of Directors.

6.5 **Chairman.** The Chairman, if any, shall preside at all meetings of the shareholders and directors, ensure that all orders, policies and resolutions of the Board are carried out and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

6.6 **Chief Executive Officer ("CEO").** The Chief Executive Officer, if any, shall be the chief executive officer of the Corporation; he shall have general and active management of the business of the Corporation. He may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and shall perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

6.7 **President.** The President shall manage the day-to-day affairs of the Corporation. He may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors, the Chairman, the CEO and the Bylaws. The President shall perform the duties of the CEO if no CEO is elected or if the CEO is absent or unable to act.

6.8 **Executive Vice President(s).** Each Executive Vice President shall assist the CEO and the President in discharging the duties of their offices in any manner requested by them and perform any other duties as may be prescribed by the Board of Directors and the Bylaws. The Executive Vice President shall perform the duties of the CEO and the President, if they are both absent or unable to act.

6.9 **Senior Vice President(s).** Each Senior Vice President shall possess the power and may perform the duties of the Executive Vice Presidents in their absence or disability and shall perform such other duties as may be prescribed from time to time by the Board of Directors, the CEO or the President.

6.10 **Vice President(s).** Each Vice President shall have such powers and perform such duties as may be assigned to them by the Board of Directors, the CEO or the President. A Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties.

6.11 **Secretary.** The Secretary shall keep the minutes of all meetings of the shareholders, the Board of Directors and all committees thereof. The Secretary shall cause

notice to be given of meetings of the shareholders, of the Board of Directors and of any committee appointed by the Board. The Secretary shall have custody of the corporate seal and general charge of the records, documents and papers of the Corporation not pertaining to the duties vested in other officers, which shall at all reasonable times be open to the examination of any director. The Secretary may sign or execute contracts with the CEO, the President, or any Executive Vice President, Senior Vice President or Vice President thereunto authorized in the name of the Corporation and affix the seal of the Corporation thereto. The Secretary shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

6.12 ***Assistant Secretary.*** The Assistant Secretary shall have such powers and perform such duties as may be assigned by the Board of Directors or the President. In the absence or disability of the Secretary, the Assistant Secretary shall perform the duties and exercise the powers of the Secretary.

6.13 ***Treasurer.*** The Treasurer shall have general custody of all the funds and securities of the Corporation and have general supervision of the collection and disbursement of the funds of the Corporation. The Treasurer shall endorse on behalf of the Corporation for collection checks, notes and obligations and may deposit the same to the credit of the Corporation in such bank or banks or depositories as the Board of Directors may designate. The Treasurer may sign, with the President or such other person or persons as may be designated for the purpose by the Board of Directors, all bills of exchange or promissory notes of the Corporation. The Treasurer shall enter or cause to be entered regularly in the books of the Corporation full and accurate account of all monies received and paid by him on account of the Corporation; shall at all reasonable times exhibit books and accounts to any director of the Corporation upon application at the office of the Corporation during business hours; and, whenever required by the Board of Directors, the CEO or the President, shall render a statement of accounts. The Treasurer shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

6.14 ***Assistant Treasurer.*** The Assistant Treasurer shall have such powers and perform such duties as may be assigned by the Board of Directors, the CEO, the President, or the Treasurer. In the absence or disability of the Treasurer, the Assistant Treasurer shall perform the duties and exercise the powers of the Treasurer.

6.15 ***Controller.*** The Controller shall be the principal accounting officer and shall be responsible for the development and maintenance of the accounting systems used by the Corporation and its subsidiaries. The Controller shall be authorized to implement policies and procedures to ensure that the Corporation and its subsidiaries maintain internal accounting control systems designed to provide reasonable assurance that the accounting records accurately reflect business transactions and that such transactions are in accordance with management's authorization. Additionally, the Controller shall be responsible for internal and external financial reporting for the Corporation and its subsidiaries.

6.16 ***General Manager(s).*** Each General Manager shall be responsible for overseeing the day-to-day management of the Company's field operations at the direction of the Regional

Vice President and for performing such other duties as may from time to time be assigned. A General Manager may sign and execute contracts and other obligations pertaining to the regular course of his duties.

Section 7. STOCK

7.1 ***Certificates.*** The certificates of each class of stock of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. Every certificate of stock shall be signed in the manner required by applicable law. If any stock certificate is signed by a transfer agent or by a registrar, other than the Corporation itself or an employee of the Corporation, the signature of such officer may be a facsimile.

7.2 ***Lost Certificates.*** The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

7.3 ***Transfers.*** Upon surrender to the Corporation, or the transfer agent of the Corporation, a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

7.4 ***Record Date.*** For the purpose of determining shareholders entitled to notice of and to vote at a meeting, or to receive a dividend, or to receive or exercise subscription or other rights, or to participate in a reclassification of stock, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a record date for determination of shareholders for such purpose, such date to be not more than 60 days and, if fixed for the purpose of determining shareholders entitled to notice of and to vote at a meeting, not less than 10 days, prior to the date on which the action requiring the determination of shareholders is to be taken.

7.5 ***Registered Shareholders.*** Except as otherwise provided by law, the Corporation and its directors, officers and agents may recognize and treat a person registered on its records as the owner of shares as the owner in fact thereof for all purposes, and as the person exclusively entitled to have and to exercise all rights and privileges incident to the ownership of such shares, and rights under this Section shall not be affected by an actual or constructive notice which the Corporation, or any of its directors, officer or agents, may have to the contrary.

Section 8. MISCELLANEOUS

8.1 ***Dividends.*** Except as otherwise provided by law or the Charter, dividends upon the stock of the Corporation may be declared by the Board of Directors at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of stock.

8.2 ***Reserves.*** The Board of Directors may create and abolish reserves out of earned surplus for any proper purposes.

8.3 ***Checks.*** All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

8.4 ***Fiscal Year.*** The Board of Directors may adopt for and on behalf of the Corporation a fiscal or a calendar year.

8.5 ***Seal.*** The Board of Directors may adopt a corporate seal. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Failure to affix the seal shall not, however, affect the validity of any instrument.

8.6 ***Gender.*** All pronouns and variations thereof used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter gender, singular or plural, as to the identity of the person, persons, entity or entities referred to require.

8.7 ***Severability.*** A determination that any provision of these By-laws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these By-laws.

8.8 ***Definition of Charter.*** Any reference herein to the Corporation's "Charter" shall mean the Corporation's articles of incorporation, certificate of incorporation or similar organizational document.

Section 9. INDEMNIFICATION

9.1 ***Indemnification.*** To the maximum extent permitted by law, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action by or in the right of the Corporation), by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another business, foreign or nonprofit corporation, partnership, joint venture or other enterprise, against expenses (including attorneys' fees), judgments, damages, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding.

9.2 **Standard of Conduct.** If applicable law conditions the Corporation's ability to indemnify a director, officer, employee or agent upon a determination that an applicable standard of conduct has been met, the indemnification hereunder (unless ordered by the court) shall be made by the Corporation only as authorized in a specific case upon a determination that such applicable standard of conduct has been met. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings, (b) if such a quorum is not obtainable or a quorum of disinterested directors so directs, by independent legal counsel, or (c) by the shareholders.

9.3 **Payment of Expenses in Advance.** The expenses incurred in defending such an action, suit or proceeding shall be paid by the Corporation in advance of the final disposition thereof if authorized by the Board of Directors in the manner provided in Section 9.2 above, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized hereunder.

9.4 **Nonexclusivity and Continuance of Indemnification.** The indemnification provided hereunder shall not be deemed exclusive of any other rights to which any person indemnified may be entitled, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his heirs and legal representatives.

9.5 **Insurance.** The Corporation may procure insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another business, nonprofit or foreign corporation, partnership, joint venture or other enterprise against any liability asserted against or incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under applicable law.

Section 10. AMENDMENTS

10.1 **Amendments; Repeal.** These Bylaws may be amended or repealed by the Board of Directors at any regular or special meeting or by the shareholders at any annual or special meeting, provided notice of the proposed amendment or repeal is contained in the notice of such annual or special meeting of shareholders.

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