

**BYLAWS  
OF  
Mountain Rural Telephone Cooperative Corporation, Inc.**

**ARTICLE I  
MEMBERSHIP**

**SECTION 1.1. Eligibility.**

- (A) Any person, firm, association, corporation or body politic or subdivision within Mountain Rural Telephone Cooperative Corporation, Inc.'s ILEC (Incumbent Local Exchange Area) Region of Elliott, Menifee, Morgan, Wolfe and a portion of Bath Counties, as designated by the Kentucky Public Service Commission will become a member of Mountain Rural Telephone Cooperative Corporation, Inc. (hereinafter called the "Cooperative"). Any other person, firm, association, corporation or body politic or subdivision outside the ILEC Region will be a non-member. Membership is automatic and instantaneous upon receipt of ANY Telecommunication, Information, Voice, Video, Data, or other service(s) (hereinafter referred to simply as "services") from the Cooperative; however, each member or non-member shall:
- (1) Make a written application for membership or non-membership for the Cooperative's records.
  - (2) Agree to purchase services from the Cooperative in accordance with established tariffs, as well as pay other charges for services that the member or non-member uses and the Cooperative is obligated by law or contract to collect;
  - (3) Agree 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) Pay any membership fee or non-membership fee as hereinafter may be specified.
  - (5) The applicant will grant the Cooperative a right of way easement to construct, operate and maintain a line or system on the land owned by applicant and in or upon all streets abutting said land.
- (B) The status of all memberships and non-memberships shall be as reflected upon the books of the Cooperative and a membership certificate shall be issued at the discretion of the Board of Trustees.

## **SECTION 1.2. Definition and Classifications.**

- (A) Membership in the Cooperative is effected by:
- (1) Evidencing a membership in the Cooperative by a certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee affixed by these Bylaws, nor until such membership fee has been fully paid. In case a certificate is lost, destroyed, or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the Board may prescribe.
  - (2) Procuring the cooperative's central office dial tone, or any of the "services" which the Cooperative now or hereafter makes available to its members.
- (B) 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.
- (C) Each time sharing or interval ownership premise is considered as a single corporate member. The owner of seasonal, recreational and short interval rental properties will be deemed to hold the membership.
- (D) All memberships in the Cooperative are extended to persons (natural or corporate) who meet the requirements of 1.1. Individual memberships will be extended to one person (natural or corporate). Joint memberships will be extended to two natural persons. Beginning April 1, 2008, all new memberships will be clearly noted as Individual or Joint in the application for membership and in the membership certificate. The Cooperative's past practice of extending Joint Memberships to legal spouse is hereby retroactively approved and all joint applications and memberships extended by the Cooperative prior to April 1, 2008 are hereby accepted, effective retroactively. The term "member" as used in these Bylaws shall refer to one person (natural or corporate) holding an Individual Membership, or two natural persons holding a Joint Membership. Any provisions relating to the rights and liabilities of membership shall apply equally, individually, and/or severally, with respect to the holders of a Joint Membership. Without limiting the generality of the foregoing, the effect of the hereafter specified actions by or in respect of the holders of a Joint Membership shall be as follows:

- (1) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
  - (2) The vote of either separately or both jointly shall constitute one joint vote;
  - (3) A waiver of notice signed by either or both shall constitute a joint waiver;
  - (4) Notice to either shall constitute notice to both;
  - (5) Expulsion of either shall terminate the joint membership;
  - (6) Withdrawal of either shall terminate the joint membership;
  - (7) Either, but not both, may be elected or appointed as an officer or board member if individually qualified;
  - (8) Upon the death of either person who is a party to the joint membership, such membership shall be converted to an individual membership. However, the estate of the deceased shall not be released from any debts due to the cooperative.
- (E) No membership in the Cooperative shall be transferable, except on the books of the Cooperative and as provided for in these Bylaws.
- (F) The Board will determine under rules of general application the types and amounts of revenue streams or types and amounts of patronage that give rise to the privileges and obligations of membership.

### **SECTION 1.3. Membership Fees.**

The membership fee shall be determined by the Board at a uniform amount.

### **SECTION 1.4. Purchase of Services.**

- (A) Each person who applies for service shall, as soon as service is available, take service from the Cooperative. The member shall pay therefore monthly at rates in accordance with either established tariffs 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.

- (B) It is expressly understood that the amount 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 over the facilities of the Cooperative.
- (C) Each member shall pay the above amounts owed by him 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. The Board may, by the affirmative vote of not less than two-thirds (2/3) of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of the Incorporation, Bylaws, or rules and regulations adopted by the Board, but only if such member shall have been given notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting.
- (B) Upon the withdrawal, death, cessation of service or expulsion of a member, unless specifically addressed elsewhere in these bylaws, 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 to the Cooperative nor do unpaid bills release a member from his obligations under these Bylaws or rules and regulations approved by the Board.
- (C) In case of withdrawal or 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 obligation 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 individual member.
- (B) The members pledge to purchase all services from the Cooperative to the extent that its services are able to meet the members need and are competitively priced.

**SECTION 2.2. Cooperation of the Members in the Extension of Services.**

- (A) The cooperation of members of the Cooperative is imperative to the successful, efficient and economical operation of the Cooperative.
- (B) 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.
- (C) When requested by the Cooperative, the member does agree to execute any easement or right-of-way contract on a form to be furnished by the Cooperative.

**SECTION 2.3. Non Liability For Debts of the Cooperative.**

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

**SECTION 2.4. Property Interest of Members.**

- (A) Upon dissolution, or sale of the assets of the Cooperative, after:
  - (1) All debts and liabilities of the Cooperative shall have been paid;

- (2) All capital furnished through patronage shall be retired as provided in these Bylaws;  
and
- (3) All membership fees shall have been repaid, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member and former member bears to the total patronage of all such members and such former members of the date of dissolution, or sale, unless otherwise provided by law.

**ARTICLE III**  
**MEETING OF MEMBERS**

**SECTION 3.1. Annual Meetings.**

- (A) The annual meeting of the members shall be held at a date and place within the State of Kentucky as selected by the Board and which shall be designated in the Notice of the Meeting for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting.
- (B) It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting.
- (C) 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.**

- (A) Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any five (5) Board members, by the President, or by not less than ten percent (10%) of all the members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided.
- (B) Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the Notice of the special meeting.

**SECTION 3.3. Notice of Members' Meetings.**

- (A) 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 later than the last billing date nor more than forty-five (45) days before the date of the meeting, either personally or by mail, or at the direction of the Secretary, or upon a default in the duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the member at the address appearing on the records of the Cooperative, with postage thereon prepaid.

- (B) 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.**

- (A) In the event of inclement weather or the occurrence of a catastrophic event, the meeting of the members may be postponed by the President.
- (B) 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.**

- (A) Business may not be transacted at any meeting of the members unless, there are present in person at least one hundred (100) members or ten percent (10%) of the total members of the Cooperative, whichever is greater, except that, if less than a quorum is present at any meeting, a majority of those present in person, or the presiding officer, may adjourn the meeting to another time and date.
- (B) At all meetings for the members, whether a quorum be 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 in person.

#### **SECTION 3.6. Credentials and Election Committee.**

- (A) The Board of Trustees shall, at least ten (10) days before any meeting of the members, appoint a credentials and election committee consisting of an uneven number of Cooperative members - not less than five (5), nor more than fifteen (15) who are not existing Cooperative employees, agents, officers, trustees or known candidates for trustee, and who are not close relatives (as hereinafter defined) or members of the same household thereof.
- (B) In appointing the Committee, the Board shall have regard for the equitable representation of the geographic areas serviced by the Cooperative.
- (C) The Committee may elect its own chairman and secretary prior to the member meeting. It shall be the responsibility of the Committee to



- (1) establish or approve the manner of conducting member registration and any ballot or other voting,
  - (2) to pass upon all questions that may arise with respect to the registration of members in person,
  - (3) to count all ballots or other votes cast in any election or in any other matter,
  - (4) to rule upon the effect of any ballots or other vote irregularity or indecisively marked or cast,
  - (5) to rule upon all other questions that may arise relating to member voting and the election of trustees (including but not limited to the validity of petitions of nomination or the qualification of candidates and the regularity of the nomination and election of trustees), and
  - (6) to pass upon any protest or objection filed with respect to any election or to conduct affecting the results of any election.
- (D) In the exercise of its responsibility, the Committee shall have available to it the advice of legal counsel provided by the Cooperative.
- (E) In the event a protest or an objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of, the meeting in which the voting is conducted.
- (1) The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed.
  - (2) The Committee shall hear such evidence as presented by the protester(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside.
  - (3) The committee may not affirmatively act on any matter unless a majority of the Committee is present.

- (4) The Committee's decision (as reelected by a majority of those actually present and voting) on all matters covered by this section shall be final.
  
- (F) In the event one or more person(s) selected by the Board of Trustees to serve on the Credentials and Elections Committee becomes unable to serve for any reason, the President of the Cooperative is authorized to select another person(s), each of whom meet the requirements set forth herein, to serve on the Credentials and Elections Committee.

**SECTION 3.7. Voting.**

- (A) Each member present shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members.
  
- (B) All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation, or these Bylaws.

**SECTION 3.8. Order of Business.**

- (A) The order of business at the annual meeting of the members and, so far as possible 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) Reading of the Notice of the Meeting and proof of the timely publication or mailing thereof, or the waiver or waivers of Notice of Meeting, as the case may be.
  
  - (3) Reading of unapproved minutes of last annual meeting of the members and the taking of necessary action thereon. The President may entertain a motion from the floor to dispense with the reading of such minutes.
  
  - (4) Audit report of outside auditors, or, a summary thereof.
  
  - (5) Election of Board members.
  
  - (6) Presentation and consideration of reports of officers, trustees, and committees.

(7) Unfinished business.

(8) New business.

(9) Adjournment.

(B) 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 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 ten (10) member trustees which shall exercise all the power of the Cooperative, except such as are by law, the Articles of Incorporation, or these Bylaws conferred upon or reserved to the members.

**SECTION 4.2. Election Process and Tenure of Office.**

(A) Trustees shall be nominated and elected as provided hereinafter.

(1) The Cooperative is divided into seven (7) geographic service areas by exchange as follows:

(a) Campton (668)	1 Director
(b) Ezel (725)	1 Director
(c) Frenchburg (768)	2 Directors
(d) Hazel Green (662)	1 Director
(e) Jeptha (522)	1 Director
(f) Sandy Hook (738)	2 Directors
(g) West Liberty (743)	2 Directors

(B) Trustees shall be elected by a secret ballot at each annual meeting when there is competition for the Board seat(s) to be filled.

(C) They shall be elected by and from the members to serve a three (3) year term, or until their successors have been elected and shall have qualified, and that the terms of the trustees shall be staggered to ensure continuity.

**SECTION 4.3. Qualifications to be Nominated, to Become, or Remain a Trustee.**

(A) Any member is eligible to be nominated, elected and remain a trustee of the Cooperative who:

(1) Must be a natural person and a citizen of the United States.

(2) Must have their primary residence in the geographic area from which he or she is elected, and has resided there for more than two hundred forty (240) days during the last twelve (12) month period.

- (3) Is NOT an employee of 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 communications facilities. However, the Board may grant exceptions for “de Minimums” competing enterprise.
  - (4) Is NOT closely related to an incumbent trustee or an employee of 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 legal spouse, child, parent, brother, sister - by blood of the principal. However, no incumbent trustee shall lose eligibility to remain a trustee or to be reelected as a trustee, if he becomes a close relative of another incumbent trustee or of a Cooperative employee because of a marriage to a close relative of a trustee who does not live in the household of the director to which he or she was not a party.
  - (5) To remain a trustee, the incumbent must attend two-thirds (2/3) or more of the regular meetings during the calendar year beginning with the first full calendar year of his/her office as a trustee..
  - (6) Upon establishment of the fact that a trustee or nominee is in violation of any of the provisions of this Section, that office or nomination shall be deemed vacant. Nothing in this section shall affect in any manner whatsoever, the validity of any action taken at any meeting of the Board.
- (B) The Cooperative shall adopt a written policy which will govern the application in practice of this Bylaw section.

#### **SECTION 4.4. Nominations.**

- (A) It shall be the duty of the Board to appoint, not less than forty-five (45) days nor more than ninety (90) days before the date of a meeting of the members at which Board members are to be elected, a committee on nominations consisting of ten (10) members who shall be selected from different geographic areas so as to ensure equitable representation.
- (1) At least one (1) member of the committee shall be selected from each geographic area where a trustee is to be elected. No member of the Board, close relative of a Board member, or employee of the Cooperative may serve on such committee.

- (2) The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least ten (10) days before the meeting, a list of nominations for Board members which shall include as many nominees for each Board position as the committee deems desirable.
  - (3) The Secretary shall be responsible for mailing with a Notice of the Meeting, or separately, but at least ten (10) days before the date of the meeting, a statement of the number of Board members to be elected and the names of the candidates nominated by the committee on nominations.
  - (4) Any fifty (50) or more members acting together may make other nominations by petition and the secretary shall post such nominations at the same place where the list of nominations made by the committee is posted.
- (B) Nominations made by petition, if any, received at least forty-five (45) days before the meeting shall be included on the official ballot. Such a ballot shall arrange the names of the candidates by geographic areas and shall also designate the candidates nominated by the committee and those nominated by petition.
- (C) Each nominee either by committee or petition shall meet the following standards:
- (1) A member in good standing whose services have not been disconnected for non-payment or violation of company policies during the past twelve (12) months.
  - (2) All accounts with Mountain Rural Telephone Cooperative Corporation, Inc. paid current.
  - (3) Shall provide official and acceptable proof of identity.

#### **SECTION 4.5. Election of Trustees.**

- (A) Contested elections of trustees shall be by a form of printed ballot. The ballot shall list the names of the candidates nominated by the committee and by petition with such names arranged by geographic/exchange area.
- (B) Each member of the Cooperative present in person at the meeting shall be entitled to vote for one (1) or two (2) candidate(s) for each geographic/exchange area from which a trustee is to be elected.

- (1) The candidate or candidates from each geographic/exchange area from which a trustee is to be elected receiving a plurality of votes cast for that office at such meeting shall be declared elected as a trustee.
- (2) Failure of an election for a given year shall allow the incumbent trustees whose trusteeships would have been voted on to hold over only until the next member meeting, at which a quorum is present.

**SECTION 4.6. Removal of Board Member by Members and Resignations.**

- (A) 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 may request the removal of such Board member by reason thereof.
- (1) 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.
  - (2) The question of the removal of such Board member shall be considered and voted upon at the special meeting of the members noticed in compliance with bylaw 3.2.
  - (3) No trustee shall be removed from office unless by vote of two-thirds (2/3) of the members present once a quorum of 10% of the membership is established at stated special meeting.
- (B) A trustee may resign at any time by written notice delivered to the Board of Trustees, the President or Secretary of the Cooperative.
- (1) A resignation is effective when the notice is delivered unless the notice specifies a future date.
  - (2) The pending vacancy may be filled before the effective date but the successor shall not take office until the effective date.

#### **SECTION 4.7. 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, within sixty (60) days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members without compliance with the foregoing provisions in respect to nominations. However, any successor, whether chosen by the Board or the members, must reside in the same geographic area as the vacant trustee and have the same qualifications for office as set forth in SECTION 4.3. Filling of vacancies created by resignation or board action will be addressed according to board policies.

#### **SECTION 4.8. Compensation.**

- (A) 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 assignment when authorized by the Board.
- (B) If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative Business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting from some of these expenses.
- (C) Board members, who elect to participate, may be extended various forms of liability and accident insurance as well as participation in benefits provided to employees except for benefits based on salary.
- (D) 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 serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the board members or the service by the board member or his close relative shall have been certified by the board as an emergency measure. (Close relative as defined in Section 4.3(A)(4)).



#### **SECTION 4.9. Rules, Regulations, Rate Schedules and Contracts.**

- (A) The Board of Trustees shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Certificate of Incorporation or Bylaws, 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.
- (B) Further, the Board of Trustees may constitute itself into committees for the purpose of studying and make recommendations to the full Board in the course of its decisional processes.

#### **SECTION 4.10. Accounting Systems and Reports.**

- (A) The Board of Trustees shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, cause to be made a full, complete and independent audit of the Cooperative's accounts, books and records, reflecting financial operations during, and financial condition at the end of each year.
- (B) A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members.
- (C) The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

**ARTICLE V**  
**MEETINGS OF THE BOARD**

**SECTION 5.1. Regular Meetings.**

- (A) A regular meeting of the Board shall be held without notice, immediately after, and at the same place as the annual meeting of the members.
- (B) A regular meeting of the Board shall also be held monthly at such time and place as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.
- (C) A minimum of at least ten (10) regular meetings shall be held each year.
- (D) 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 meeting can communicate with each other, such participation will constitute attendance and presence in person at the meeting of the persons so participating.

**SECTION 5.2. Special Meetings.**

- (A) 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.
- (B) 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 Meeting.**

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. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the Board member at his address as it appears on the records of the Cooperative, with first class postage thereon prepaid, at least five (5) days before the date set for the meeting.

#### **SECTION 5.4. Quorum.**

- (A) A majority of the Board shall constitute a quorum, provided that if less than such majority of the Board is present at 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.
- (B) 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.
- (C) Board members may vote by proxy at special Board meetings only. Proxy shall not be used to establish attendance or quorum at any special meeting. Proxy shall be assigned to board members only.

#### **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 all the Board members entitled to vote is obtained in writing setting forth the action taken in detail and the document is signed or responded to by electronic mail.

#### **SECTION 5.6. Tie Vote.**

In the event of a tie the Chairman/President would have the power to cast a second vote.

**ARTICLE VI**  
**OFFICERS**

**SECTION 6.1. Number and Titles.**

- (A) The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board from time-to-time.
- (B) The offices of Secretary and Treasurer may be held by the same person.

**SECTION 6.2. Election and Term of Office.**

- (A) 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.
- (B) They shall be elected annually by and from the Board, at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be.
- (C) 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.
- (D) 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.**

- (A) 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 interest of the Cooperative will be served thereby.
- (B) 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 time 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.:**

(A) The President shall:

- (1) Be the principal executive officer of the corporation and unless otherwise determined by the members of 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.
- (4) Chairman holds power to break tie vote. (See Section 5.6)

#### **SECTION 6.5. Vice President.**

(A) The Vice-President shall:

- (1) In the absence of the President, or in the event of his inability or refusal to act, 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.
- (2) Also perform such other duties as from time-to-time may be assigned to him by the Board.

#### **SECTION 6.6. Secretary.**

(A) 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 and the Seal of the Cooperative and affixing the Seal of the Cooperative to documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (4) Keeping a register of the names and post office addresses for all members;
- (5) Keeping on file at all times a complete copy of the Articles 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.**

(A) 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 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.**

(A) The Board shall appoint a General Manager, who may be, but who shall not be required to be, a member of the Cooperative.

- (B) 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.**

- (A) The Board shall require the treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to give bond in such sum and with such surety as the Board shall determine.
- (B) The Board in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine.
- (C) The costs of all such bonds 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 relative of trustees.

**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

### INDEMNIFICATION OF OFFICERS, BOARD MEMBERS, EMPLOYEES AND AGENTS

#### **SECTION 7.1. Scope of Indemnification.**

- (A) The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of the Cooperative) by reason of the fact that such person is or was a Board member, officer, employee or agent of the Cooperative or who is or was serving at the request of the Cooperative as a Board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise against expenses including attorney's fees, adjustments, fines and amount paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful.
- (B) The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon pleas of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interest of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

#### **SECTION 7.2. Indemnification for Good Faith Action.**

- (A) The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a Board member, officer, employee or agent of another Cooperative, or is, or was, serving at the request of the Cooperative as a board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith, and in manner such person reasonably believed to be in or not opposed to the best interest of the Cooperative.



- (B) No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person the Cooperative, unless and only to the extent that the Court in which such action or suit was brought, shall determine upon application that, despite the adjudication of liability, by in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

**SECTION 7.3. Cost of Defense Indemnified.**

To the extent that a Board member, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 7.1 and 7.2, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses including attorney's fee actually and reasonably incurred by such person in connection therewith.

**SECTION 7.4. Amount of Indemnification.**

- (A) Any indemnification under Sections 7.1 and 7.2 (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the Board member, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 7.1 and 7.2.
- (B) Such determination shall be made:
- (1) By the Board by a majority vote of a quorum consisting of Board members who were not parties to such action, suit or proceeding;
  - (2) If such a quorum is not attainable, or even if attainable, if a quorum of disinterested Board members so directs, by independent legal counsel in a written opinion,  
or
  - (3) By the members.

**SECTION 7.5. Expenses Advanced.**

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, upon receipt of a firm commitment by or on behalf of the Board member, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Cooperative as authorized in the Article.

**SECTION 7.6. Rights of Person Indemnified.**

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any Bylaw, agreement, vote of members or disinterested Board members, or otherwise, 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 Board member, officer, employee or agent, and shall insure to the benefit of the heirs, executors and administrators of such a person.

**SECTION 7.7. Insurance Coverage.**

The Cooperative may purchase and maintain insurance on behalf of any person who is or was a Board member, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a Board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person in any such capacity, whether or not the cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

**ARTICLE VIII**  
**NONPROFIT OPERATION**

**SECTION 8.1. Capital Credits.**

The Cooperative shall allocate and pay capital credits to members and patrons as provided in this section. Patrons include all members. Non-members are not patrons.

**SECTION 8.2. Interest of Dividends on Capital Prohibited.**

- (A) The Cooperative shall at all times be operated on a cooperative nonprofit basis for the mutual benefit of its patrons.
- (B) No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

**SECTION 8.3. Patronage Capital in Connection with Furnishing Telecommunications, Information, and Other Services.**

- (A) In the furnishing of telecommunications, information, and other services, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative.
  - (1) In order to induce patronage and to insure that the Cooperative will be operated on a nonprofit 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 telecommunications and information services in excess of operating costs and expenses properly chargeable against the furnishing of such services.
  - (2) 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.
  - (3) 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.

- (4) 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 edited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year, notify each patron of the amount of capital so credited to his account; provided that individual notice of such amounts furnished by each patron shall not be required if the Cooperative notified all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself or herself, the specific amounts of capital so credited to him or her.
  - (5) 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.
- (B) All other nonoperating income received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:
- (1) Used to offset any losses incurred during the current or any prior fiscal year, and
  - (2) To the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be allocated to the accounts of the patrons in an equitable manner as approved by the Board.
- (C) In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of member. If, at any time prior to dissolution or liquidations, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patron's accounts may be retired in full or in part. Any such retirements of capital shall be at the discretion and direction of the Board as to timing, method and type of retirement.
- (D) 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 patron's 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 and the Cooperative is authorized to negotiate capital credit settlement arrangements with bankrupt patrons.

- (E) 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, of 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.
- (F) When the capital credits of any patron no longer receiving service from the Cooperative comes to a total amount of less than a fixed sum determined by the Board of Trustees, the same shall be retired in full with such retirements made only when and at the same time that a general retirement to other patrons is made.
- (1) During a general capital credit retirement, no checks shall be issued for less than a fiscal amount determined by the Board, and the amount of such unretired capital credits will be retired in the first following year when the total amount of capital credits qualifying for retirement exceeds that amount set by the Board, including the amount carried over.
  - (2) 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.
- (G) 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.
- (1) Both the Cooperative and 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.
  - (2) 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 8.4. Patronage Capital in Connection with Furnishing Other Services.**

In the event that the Cooperative should engage in the business of furnishing goods or services other than telecommunications and information services, all amounts received and receivable there from which are in excess of costs and expenses, properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time and in such order of priority as the Board shall determine.

**ARTICLE IX**  
**DISPOSITION AND PLEDGING OF PROPERTY**  
**DISSOLUTION AND DISTRIBUTION OF SURPLUS ASSETS UPON DISSOLUTION**

The Cooperative may not sell, mortgage, lease, or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease, or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than seventy-five percent (75%) of all members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon or the pledging or encumbering of, any or all of the property, assets, rights, privileges, license, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof provided further that the Board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in the State pursuant to the Act under which this Cooperative is incorporated.

**ARTICLE X**  
**SEAL**

The Corporate Seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words, "Corporate Seal".



**ARTICLE XI**  
**FINANCIAL TRANSACTIONS**

**SECTION 11.1. 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 11.2. Checks, Drafts, Etc.**

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

**SECTION 11.3. 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.

**SECTION 11.4. Fiscal Year.**

The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first of December of the same year.

**ARTICLE XII**  
**MISCELLANEOUS**

**SECTION 12.1. 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 12.2. Waiver of Notice.**

Any member or trustee may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in a case member or trustee 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 12.3. 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.

**ARTICLE XIII**  
**AMENDMENTS**

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than a majority of the trustees in office, at any regular or special Board meeting, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof; provided, however, that the provisions of Section 9 relating to a major disposition of the Cooperative's property and relating to the dissolution of the Cooperative, and Section 3.7 of Article III relating to voting by members, may be altered, amended or repealed only by the affirmative vote of not less than two-thirds (2/3) of all current members of the Cooperative voting in person without proxies.

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\*For purpose of clarification in the use of these By-Laws, the following terms are used interchangeably:

Member/Patron  
Trustee/Director  
he/she  
him/her

## REVISION HISTORY

July 11, 2008	Complete review with several revisions.
April 2, 2010	Added: Section 3.6 (F)
January 15, 2011	Reviewed – No Revisions
May 10, 2012	Reviewed – No Revisions
May 3, 2013	Deleted: Section 4.4 (B) (2), Section 4.4 (C), Section 4.5 (A) (2), Section 4.6 (A) (4)  Rearranged: Section 4.4 (B) (1) incorporated into Section 4.4 (B), Section 4.4 (D) changed to Section 4.4 (C), Section 4.5 (A) (1) incorporated into Section 4.5 (A)  Modified: Section 1.1 (A), Section 1.2 (A) (1), Section 4.3 (B), Section 4.4 (A), Section 4.4 (A) (1), Section 4.4 (B), Section 4.4 (C), Section 4.6 (A) (2), Section 4.6 (A) (3), Section 4.7, Section 5.3, Section 5.4 (C), Section 5.5
May 11, 2015	Reviewed – No Revisions
November 14, 2015	Modified: Section 1.2 (D), Section 4.3 (A) (4)  Added: Section 5.6, Section 6.4 (A) (4)
January 13, 2025	Modified: Section 1.1 (A), Section 1.1 (A) (1), Section 1.1 (A) (2), Section 1.1 (A) (4), Section 1.1 (B)  Added: Section 8.1