

ARTICLE I
MEMBERSHIP

SECTION 1. Requirements for Membership. Any natural person over the age of 18 years, firm, association or corporation may become a member of South Central Rural Telecommunications Cooperative, Inc. (hereinafter called "The Corporation") by:

- (a) Making a written application for membership therein:
- (b) Agreeing to purchase from the Corporation telecommunication services as hereinafter specified:
- (c) Agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Corporation and any rules and regulations adopted by the Board of Trustees (hereinafter called the "Board"); and
- (d) Agreeing to grant the Corporation a right-of-way for its poles, guys, braces, lines, cables and other appurtenances on and across the property of the applicant without monetary consideration; provided, however that no person, firm, association or corporation shall become a member unless and until he or it has been accepted for membership by the Board or the members. No member may hold more than one membership which carries a voting right. A landlord holding a membership issued prior to August 1978 shall not be entitled to a vote on such membership. However, the value of said membership shall be liable for any charges for telecommunication services which may be assessed against the tenant receiving service under the said membership. No membership shall be transferable except as provided in these Bylaws.

Beginning six (6) months after the date of incorporation, all applications received more than thirty (30) days prior to each meeting of the members which have not been accepted or which have been rejected by the Board shall be submitted to the Secretary to such meeting, and, subject to compliance by the applicant with the requirements hereinabove set forth, any such application may be accepted by a vote of the members. The Secretary shall give each applicant at least ten (10) days written notice of the members' meeting to which his application will be submitted and such applicant shall be entitled to be present and heard at the meeting.

(July 27, 1978; July 30, 1987; September 30, 1987; July 1, 2001, March 24, 2016, October 6, 2016)

SECTION 2. Evidence of Membership. Effective August 1, 1978, membership in the Corporation shall be evidenced by acceptance of the applicant by the Board and the entry of membership in the Official Membership Records of the Corporation. (July 27, 1978)

SECTION 3. Memberships Joint for Spouse. Any membership now or here-after issued to either a husband or wife shall be and is the joint membership of said husband or wife and his or her spouse and upon the death of either spouse the membership will be held solely by the survivor spouse. The term "Members" as used in these Bylaws, shall be deemed to be the joint membership of a husband or wife and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. The effect of the hereinafter specified actions by or in respect of the holders of joint membership shall be as follows:

- (a) 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;

- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice or any other instrument signed by either shall constitute the waiver or other instrument of both;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications of such office.

(August 25, 1977; September 30, 1987)

SECTION 4. Employee Membership. An employee or retired employee of the Corporation shall not be eligible to membership; however, the employee or retired employee may receive telecommunication services under terms and conditions adopted by the Board with respect to telecommunication services for employees or retired employees.

(July 27, 1978; September 30, 1987; May 22, 2007, March 24, 2016)

SECTION 5. Purchase of Telecommunication Services. Each member shall, as soon as facilities are available, take telecommunication services from the Corporation to be used on the premises specified in his application for membership, and shall pay therefore monthly at rates which shall from time-to-time be fixed by the Board and approved by the Public Service Commission; provided, however, that the Board may limit the amount of telecommunication services which the Corporation shall be required to furnish to any one member. It is expressly understood that amounts paid for telecommunication services in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall also pay all amounts owed by him to the Corporation as and when the same shall become due and payable.

(March 24, 2016)

SECTION 6. Termination of Membership.

(a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds (2/3) of all the Trustees, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or any rules and regulations adopted by the Board, but only if such member shall have been given written notice by the Secretary 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. The membership of a member who has not permitted the installation of service within thirty (30) days after he has been notified service is available to him, or of a member who has ceased to purchase telecommunication services from the Corporation, may be cancelled by resolution of the Board.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate. Termination of membership in

any manner shall not release a member or his estate from any debts due the Corporation. (July 27, 1978; July 30, 1987; September 30, 1987; April 26, 2018)

SECTION 7. Classification of Membership. The Board of Trustees may establish reasonable classification of memberships which may provide that certain classes of memberships do not have voting rights, do not participate in the profits of the Corporation, or do not accrue capital credits as defined in these Bylaws and by the policies of the Board of Trustees, and establish the circumstances and conditions under which the classification shall be changed.

The Board of Trustees may provide that the services of the Corporation are made available to non-members which may consist of governmental agencies, political subdivisions, and to other persons, not to exceed ten (10%) percent of the total membership or as provided in KRS 279.360(1) as it now exists or is subsequently amended.

(July 1, 2001)

ARTICLE II

RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. Property Interest of Members. Upon dissolution, after, (a) all debts and liabilities of the Corporation shall have been paid, (b) all capital furnished through patronage shall have been retired as provided in these Bylaws, and (c) all membership fees shall have been repaid, the remaining property and assets of the Corporation shall be distributed among the members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members, unless otherwise provided by law.

SECTION 2. Non-liability for Debts of the Corporation. The private property of the members shall be exempt from execution or other liability for the debts of the Corporation and no members shall be liable or responsible for any debts or liabilities of the Corporation.

ARTICLE III

MEETING OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held on a date selected by the Board during the period October 1 to November 1 of each year in such place within the certificated area of the Corporation as the Board may designate from year to year with due notice being given to each member as provided elsewhere in these Bylaws, for the purpose of reporting the election of trustees, passing upon reports of the previous fiscal year and transacting other such business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Corporation.

SECTION 2. Special Meetings. Special meetings of the members may be called by

resolution of the Board, or upon written request signed by any three Trustees, by the President, or by not less than two hundred (200) members or ten per centum of the members, whichever shall be the lesser, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided, however, it shall be the obligation of the members who have signed a petition for a special meeting to pay all the costs of preparing and mailing the notices of said special meeting by depositing with the Secretary such an amount of funds as is estimated to be the cost of preparing and mailing the notices.

SECTION 3. Notice of Members Meetings. Written notice stating the place, day and hour of the meeting, and in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) days nor more than twenty-five days before the date of the meeting, either personally or by mail or at the direction of the Secretary, or upon default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.
(Aug. 31, 1965; Aug. 29, 1974)

SECTION 4. Quorum. A quorum for the transaction of business at all meetings of the members shall be as follows: As long as the total number of members does not exceed five hundred (500), ten (10) per centum of the total number of members present in person shall constitute a quorum. In case the total number of members does exceed five hundred (500), one hundred (100) members or one per centum of the total members, whichever shall be the larger who are present in person, shall constitute a quorum. If less than a quorum is present at any meeting a majority of those present in person may adjourn the meeting from time-to-time without further notice. The minutes of each meeting shall contain a list of the members present in person.
(Aug. 31, 1965; March 10, 1966; Oct 19, 1972)

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. 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 6. Order of Business. 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 essentially as follows, except as otherwise determined by the members at such meeting:

1. Meeting called to order.
2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Report on the number of members present in person in order to determine the existence of a quorum.

4. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
 5. Presentation and consideration of reports of officers, trustees and committees.
 6. Report of election of trustees.
 7. Unfinished business.
 8. New business.
 9. Adjournment.
- (Aug. 31, 1965; Aug. 29, 1974)

ARTICLE IV **TRUSTEES**

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by a Board of Trustees, which shall exercise all the powers of the Corporation, except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members. In order to provide reasonably equal representation, the system shall be divided into seven (7) districts, each of which is entitled to one trustee. The districts shall be as follows:

- District I - Bonnieville and Munfordville Exchanges
 - District II - Canmer and Horse Cave Exchanges
 - District III - Cave City and Hiseville Exchanges
 - District IV - Center, Edmonton and Summer Shade Exchanges
 - District V - Glasgow and Temple Hill Exchanges
 - District VI - Fountain Run, Gamaliel and Lucas Exchanges
 - District VII - Buffalo and Magnolia Exchanges
- (Aug. 31, 1965; Aug. 29, 1974)

SECTION 2: Election and Tenure of Office. Trustees shall be elected for a term of three years with the schedule for such term by district as follows:

- Year 2020 - Districts I & III and every third year thereafter;
- Year 2021 - Districts IV & VII and every third year thereafter;
- Year 2019 - Districts II, V & VI and every third year thereafter;

(July 30, 1987)

SECTION 3. Qualifications. No person shall be eligible to become or remain a trustee of the Corporation who:

- (a) is not a member and is not residing in the district from which he or she is elected; or
- (b) at the time of his election or thereafter is directly or indirectly interested in any contract with or claims against the Corporation or the sale to the Corporation of any property, materials, supplies, equipment or services for which Corporation funds are expended; or who has been within the last five (5) years an employee of the Corporation, or who has retired from the Corporation, or who has a vested financial interest in the Corporation, or
- (c) has an immediate relative serving as trustee with immediate relatives defined as parents, step parents, sister, brother, spouse, child, step child, niece, nephew, son or daughter-in-law, and mother or father-in-law of trustee, or
- (d) is or has been within the twelve (12) months prior to the meeting of the Nominating

Committee at which the member is considered for nominations to the Board of Trustee, in arrearage for two (2) consecutive months to the Corporation in the payment for goods or services provided by the Corporation to the member, or

(e) is or has been convicted of a felony which has not been expunged.

Upon establishment of proper cause that a trustee is holding office in violation of any of the foregoing provisions, the Board shall remove such trustee from office after he has had a hearing by the remaining members of the Board, including service of reasonable notice of the hearing and written charge or charges.

(Aug.31, 1965; Aug. 29, 1974; Dec. 22, 1988; July 12, 2001; March 9, 2006; May 22, 2007; Sept 24, 2010, Jan 26, 2017)

SECTION 4. Nominations. The Board shall appoint not less than sixty (60) days or more than one hundred twenty (120) days before the Annual meeting, a Committee on nominations, consisting of one (1) delegate from each exchange in the system, said Committee to serve for one (1) year from the date of appointment. Any person who is not a member in good standing of the Corporation shall be disqualified to serve as a delegate, and no member of the Board may serve on such Committee. The Committee shall nominate one (1) or more candidates for each Office of Trustee to be filled during its year. The Committee shall meet not later than forty (40) days before the Annual Meeting to select its nominees, and the Secretary of the Corporation shall notify, by mail, each member within the districts where the terms of Trustees are subject to election of the date, time and place that the Committee will meet. Qualified members of the Corporation desiring to be elected as a Trustee shall secure a nominating petition (petition form to be provided) containing the signatures, telephone numbers and or account numbers and complete addresses of at least fifty (50) members residing in the district which the candidate desires to represent; which shall be filed at least fourteen (14) days before the meeting of the Nominating Committee, with the Secretary of the Board of Trustees, or his designee, at the Corporate Office in Glasgow, Kentucky, who shall deliver same to the Nominating Committee when it convenes; provided, however, that any incumbent Trustee desiring to be so nominated for reelection shall not be required to submit such a petition, but he or she may do so. In the event such incumbent Trustee does not desire to submit a nominating petition, she or he shall notify, in writing, the Secretary of the Corporation, or his designee, at least fourteen (14) days before the meeting of the Nominating Committee, of his or her desire to be so nominated. In such event, the Secretary of the Corporation shall deliver such written notification to the Nominating Committee, at its Annual Meeting and after the chair has been elected for the year in which the nominations will be made, and such written notification shall be deemed to be the same as a nominating petition with the above mentioned fifty (50) signatures and so considered by the Nominating Committee. Nominating petitions (which shall hereafter be defined as to include written notification from incumbent Trustees) shall be filed with the Nominating Committee, and if any nominating petitions are filed with the Nominating Committee, the Committee shall be limited in its nominations to those members filing nominating petitions. The Nominating Committee shall promptly make a report of its nominations to the Secretary of the Corporation, who shall promptly notify, by mail, each member filing a nominating petition of the actions of the Nominating Committee.

(Aug. 31, 1965; Aug.29, 1974; Feb. 20, 1975; Jan. 13, 1981; July 30, 1987; Nov. 14,

1991; July 6, 2000; Feb. 22, 2001; Sept 24, 2010, Oct 28, 2010, Dec 17, 2015; April 26, 2018)

SECTION 5. Election. The election of trustees shall be by mail in districts where there is more than one nominee. This election shall be conducted by an independent and outside entity selected by the Board. The entity so chosen shall, within twenty five (25) days after the report of the Nominating Committee, prepare and mail an official ballot for each district in which more than one person has been nominated in accordance with Section 4 Article IV and shall cause to be published in one or more newspapers of general circulation in the district where an election is to occur, a notice to members that the ballots have been mailed and the time in which the marked ballots are to be returned and such other information as may be required by the Board of Trustees.

No person other than the member, or spouse of a member, to whom the ballot is directed, shall mark, vote or return the ballot.

No person shall, directly or indirectly, pay, give, promise to pay or give, anything of monetary value to any member in exchange for the vote of said member for any candidate for trustee.

The Board of Trustees shall investigate any allegation of violations of the voting procedure made by any member and shall use such methods of investigation it deems appropriate. If the Board of Trustees deems that voting procedures were violated by or on behalf of a candidate who receives the most votes, the Board of Trustees, by a vote of two-thirds (2/3) of its membership, shall disqualify such candidate, and the candidate receiving the next highest number of votes for which there is no finding of violation of the voting procedures, shall be elected.

Each ballot shall contain a notice which contains the following statement:

“Only the member to whom the ballot is addressed, or spouse, may mark, vote or return this ballot. No person shall pay, give or promise to pay or give anything of monetary value to any member in exchange for the vote of the member.”

In the event you are aware of any violation of the voting procedures or if you have any questions about the voting procedures contact:

Business Director
South Central Rural Telecommunications Cooperative, Inc.
1399 Happy Valley Road
P O Box 159
Glasgow, Kentucky 42142
270-678-2111

It shall be addressed to the entity and shall contain a certificate to be signed by the voting member certifying compliance with these provisions. Any ballot returned without being properly signed shall not be counted. The entity shall mail an official ballot to each member within a district electing a trustee. The member shall cast his ballot by returning it to the entity by mail. Only the official ballot will be provided to each member and no vote

shall be cast except on the official ballot so provided. Trustees shall be elected by a plurality of the members voting. All ballots shall be returned no later than ten (10) days after the ballots were mailed, and any ballot postmarked after midnight on the tenth (10th) day after mailing to the member shall not be counted. The ballot shall include a statement containing the date after which the vote shall not be counted unless postmarked before the date prior thereto. The entity shall tabulate the ballot properly voted and certify the results to the President in a sealed envelope at 4.00 p.m. on the second business day following the close of voting and a representative of the entity shall report the results in the Board of Trustees meeting room at the Corporate office in Glasgow, Kentucky to the candidates, the President, and the Trustees. The President shall publicly report the results of the election during the annual meeting. In districts where there is only one nominee for the Office of Trustee in accordance with Section 4 Article IV, then said sole nominee shall be duly declared by the Chairman of the Board at the annual meeting to have been elected. In the event the election results in two or more candidates receiving the highest and equal number of votes (tie), and one of those candidates is an incumbent trustee, the incumbent shall be declared as having received the highest number of votes, but if one candidate who received the highest and equal number of votes is not an incumbent, the election entity, in the presence of the candidates who have the tie vote, shall determine the winner by putting a number of slips of paper in a receptacle equal to the number of candidates who received the tie votes; the slips of paper shall be blank except for one, which shall have 'winner' written on it, and the slips of paper shall be folded and prepared so that they appear identical and in alphabetical order according to the candidates' surname, the candidates shall draw the slips of paper from the receptacle in a manner so that they cannot see the slips of paper, and the candidate which draws the slip with "winner" written on it shall be declared by the election entity as the candidate which received the highest number of votes and the elected Trustee.

The entity shall record and report to the Board of Trustees any allegations of voting violations received by it.

(Dec. 19, 1996; Feb. 22, 2001; July 26, 2001; March 9, 2006; March 23, 2006; March 27, 2008, Oct 28, 2010, Oct. 6, 2016)

SECTION 6. Removal of Trustees from Office. Any member may bring charges against a Trustee and by filing with the Secretary such charges in writing together with a petition signed by at least ten (10) per centum of the members, or two hundred (200) members, whichever is the lesser, may request the removal of the Trustee by reason thereof. The Secretary shall prepare a copy of such charge and the supporting petition and forward the same to the President of the Corporation who shall proceed within thirty (30) days from the filing of said charge to call a special meeting of the Board to consider the removal of the Trustee. Such Trustee shall be informed in writing of the charges at least ten (10) days prior to the special meeting of the Board at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity.

The question of removal of such Trustee shall be considered and voted upon at said special meeting of the Board. A two-thirds (2/3) vote of the entire membership of the Board is required for the removal of such Trustee.

The Board of Trustees may, by a two thirds (2/3) vote of its entire membership, remove

a Trustee, if it finds the Trustee:

(1) recruited or solicited a candidate to become a candidate for Trustee against another Trustee;

(2) gave, provided or contributed directly or indirectly anything of value to another candidate for Trustee against an incumbent Trustee, or

(3) for actively campaigning against an incumbent Trustee, or

(4) for threatening bodily harm, harassing or attempting to harass another Trustee or employee, or for disrupting a meeting of the Board of Trustees by ignoring parliamentary order.

Any Trustee who is removed shall forfeit all benefits provided to Trustees or retired Trustees and shall be permanently ineligible for nomination or election as Trustee. (Aug.31, 1965; Aug. 29, 1974; March 9, 2006)

SECTION 7. Vacancies. A vacancy occurring on the Board shall be filled by the affirmative vote of the majority of the remaining Trustees for the unexpired term of office, providing, however, that in the event the vacancy is not filled by the Board within sixty (60) days it shall be the duty of the President within ten (10) days after the expiration of the aforesaid sixty (60) day period to fill such vacancy by appointment. Such appointment shall be made from the membership within the district where the vacancy occurs. (March 11, 1976)

SECTION 8. Compensation. Trustees shall not receive any salary for their services as Trustee except that by resolution of the Board a fee shall be allowed for attendance at Board meetings and committee meetings of the Cooperative. In addition, actual expenses of attendance at Board or other meetings of the Cooperative or in carrying out assignments directly related to the business of the Cooperative shall be allowed, including a mileage rate as determined by the Board resolution. The members of the Board of Trustees shall be entitled to life insurance and the same fringe benefits paid the employees; the life insurance and the fringe benefits shall be considered part of the Board fee. No Trustee shall receive compensation for serving the Cooperative, in any other capacity nor shall any close relative of a Trustee receive compensation for serving the Cooperative, unless the payment and amount of the compensation be specifically authorized by a vote of the members or the service by such Trustee or close relative shall be certified by the Board as an emergency measure. (Aug. 31, 1965; Feb.19, 1970; Feb. 20, 1975; Sept. 29, 1977; July 15, 1982; March 9, 2006)

SECTION 9 The Board of Trustees shall all adopt, alter or amend administrative policies hereinafter referred to as "Policies" which provide for the orderly administration of the business affairs of the Corporation and the Corporation's member business relations with it and the policies as adopted, altered or amended, shall be the final authority on the resolution of any issue to which they apply. (July 26, 2001)

ARTICLE V **MEETINGS OF TRUSTEES**

SECTION 1. Regular Meetings. 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. Regular meetings of the Board shall also be held monthly at such time and place as the Board may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.
(July 27, 1978)

SECTION 2. Special Meetings. Special meetings of the Board may be called by the President or by any three Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the Trustees calling the meeting shall fix the time and place for holding of the meeting.

SECTION 3. Notice of Trustees' Meeting. Written or oral notice of the time, place and purpose of any special meeting of the Board shall be delivered or communicated to each Trustee not less than two (2) days previous thereto either personally or by mail by or at the direction of the Secretary of the Corporation, or upon a default in duty by the Secretary of the Corporation, by the President or the Trustees calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Trustee at his address as it appears on the records of the Corporation, with postage thereon prepaid.
(Aug. 31, 1965; Feb. 20, 1975)

SECTION 4. Quorum. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time-to-time; and provided further, that the Secretary shall notify any absent trustee of the time and place of such adjourned meeting. The act of a majority of trustees present at a meeting at which a quorum is present shall be the act of the Board.

ARTICLE VI **OFFICERS**

SECTION 1. Number. The officers of the Corporation shall be a President, Vice President, Secretary, Treasurer, and such other officers as may be determined by the Board from time-to-time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The officers shall be elected by ballot, annually by and from the Board of Trustees at the meeting of the Board held immediately after the Annual Meeting of the members, except that the Board may at its pleasure by resolution elect subordinate officers (such as Assistant Secretary, Assistant Treasurer, Vice President) from personnel not a member of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his successors shall have been elected and shall have qualified. Each subordinate officer shall hold office at the pleasure of the Board. Except as otherwise provided in these Bylaws, the vacancy

in any office shall be filled by the Board for the unexpired portion of the term.
(Aug. 31, 1965; Oct. 21, 1965)

SECTION 3. Removal of Officers and Agents by Trustees. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby. In addition, any member of the Corporation may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten (10) per centum of the members, or two hundred (200) members, whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have the 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 shall have the same opportunity.

SECTION 4. President. The President shall:

- (a) be the principal executive officer of the Corporation and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board.
 - (b) 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 these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed, and
 - (c) 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.
- (July 30, 1987)

SECTION 5. Vice President. In the absence of the President, or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time-to-time may be assigned to him by the Board.

SECTION 6. Secretary. The Secretary shall:

- (a) keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these Bylaws or as required by laws;
- (c) be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (d) keep a register of the names and post office addresses of all members;
- (e) have general charge of the books of the Corporation;
- (f) keep on file at all times a complete copy of the Articles of Incorporation and Bylaws

containing all amendments thereto (which copy shall always be open to the inspection of any member) and within a reasonable time at the expense of the Corporation forward a copy of the Bylaws and of all amendments thereto to each member who makes a request in writing; and

- (g) in general perform all duties incident to the Office of Secretary and such other duties as from time-to-time may be assigned to him by the Board.

(July 30, 1987)

SECTION 7. Treasurer. The Treasurer shall:

- (a) be responsible for all funds and securities of the Corporation;
- (b) be responsible for the receipt of, and the issuance of receipts for, all monies due and payable to the Corporation and for the deposit of all such monies in the name of the Corporation in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; provided, however, that the Treasurer shall have authority, with the approval of the Board, to delegate the General Manager the authority to appoint employees of this Corporation to actually carry out the responsibilities set forth in this subparagraph; and
- (c) in general perform 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 Corporation 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 a claim is the result of an act personally committed or omitted by the Treasurer which results in loss to the Corporation.

(July 30, 1987)

SECTION 8. Manager. The Board may appoint a manager who may be, but who shall not be required to be, a member of the Corporation. The Manager shall perform such duties and shall exercise such authority as the Board may from time-to-time vest in him.

SECTION 9. Bonds of Officers. The Treasurer and any other officer or agent of the Corporation charged with responsibilities for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent, or employee of the Corporation to give bond in such amount and with surety as it shall determine.

SECTION 10. Compensation. The powers, duties, and compensation of officers, agents and employees shall be fixed by the Board, subject to the provisions of these Bylaws with respect to compensation for trustees and close relatives of trustees,

SECTION 11. Reports. The Officers of the Corporation shall submit at each annual meeting of the members reports covering the business of the Corporation for the previous fiscal year. Such reports shall set forth the condition of the Corporation at the close of each fiscal year.

ARTICLE VII
NON-PROFIT OPERATION

SECTION 1. Interest or Dividend on Capital Prohibited. The Corporation shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its patrons.

(a) That excise tax refunds made by the United States Government on patronage capital credits shall be held and used by the Corporation as furnished patronage capital and shall be treated in the same manner as furnished capital set out in Article VII, Section 2 of the Bylaws.

(July 30, 1987)

SECTION 2. Patronage Capital in Connection with Furnishing Telecommunication Services. In the furnishing of telecommunication services, the Corporation's operations shall be so conducted that all member patrons will, through their patronage, furnish capital for the Corporation. In order to induce patronage and to assure that the corporation will operate on a non-profit basis, the Corporation is obligated to account on a patronage basis to all its member patrons for all amounts received and receivable from the furnishing of telecommunication services in excess of operating costs and expenses properly chargeable against the furnishing of telecommunication services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the member patrons as capital. The Corporation is obligated to pay by credits to a capital account for each member patron all such amounts in excess of operating costs and expenses. The books and records of the Corporation shall be set up and kept in such a manner that at the end of each calendar year the amount of capital, if any, shall be credited to his/her account. All such amounts credited to the capital account of any member patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the member patron had then furnished the Corporation corresponding amounts for capital. Any member may, on request, be supplied a statement of his/her capital credit account.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Corporation will not be impaired thereby, the capital then credited to member patrons' accounts may be retired in full or in part. Any such retirements of capital and the manner and method thereof shall be at the discretion and direction of the Board of Trustees. In no event, however, may any such capital be retired unless, after the proposed retirement, the capital of the Corporation shall equal at least fifteen per centum (15%) of the total assets of the Corporation.

Capital credited to the account of each member patron shall be assignable only on the books of the Corporation, pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part such member patron's premises served by the corporation unless the Board, acting under policies of general application, shall determine otherwise. Notwithstanding any other provision of these

Bylaws, the Board, at its discretion shall have the power at any time upon the death of any member patron, if the legal representative of his estate shall request in writing that the capital credited to any such member patron be retired prior to the time such capital would otherwise be retired under provisions of the Bylaws, to retire capital credited to any such member patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representative of such member patron's estate shall agree upon; provided, however, that the financial condition of the Corporation will not be impaired thereby.

Member patrons may assign their capital credits to the Corporation and the Corporation shall have the right to apply a member's capital credits to any indebtedness owed to the Corporation for services supplied to the member patron or for any other indebtedness owed by the member patron to the Corporation.

When the capital credits of any member patron no longer receiving telecommunication services from the Corporation comes to a total amount of less than \$10.00, the same shall be retired in full with such retirements made only when and at the same time that a general retirement to other member patrons is made.

During a general capital credit retirement, no checks shall be issued for less than \$3.00, 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 the \$3.00 amount, including the amount carried over.

The member patrons of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Corporation and each member patron, and both the Corporation and the member patrons are bound by such contract, as fully as though each member patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the Bylaws shall be called to the attention of each member patron of the Corporation by publishing in the Corporation's telephone directory annually.

(Dec. 19, 2002; May 24, 2016; April 26, 2018)

ARTICLE VIII **DISPOSITION OF PROPERTY**

The Corporation may not sell, mortgage, lease or otherwise dispose of or encumber all or any portion in excess of seven percent (7%) of its total assets unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members of the Corporation, by the affirmative vote of not less than two-thirds (2/3) of all the members of the Corporation, 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, without authorization by the members of this Corporation, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust on, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Corporation, 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 Corporation to the following entities:

1. the United States of America or any instrumentality or agency thereof; or
2. to a national financing institution, organized on a cooperative plan, in which the Corporation holds membership, for the purpose of financing its members' programs, projects and undertakings; or
3. to the Rural Telephone Finance Cooperative, the National Rural Utilities Cooperative Finance Corporation or any other financing institution organized for the benefit of rural utility systems; or
4. to any bank or other financial institution or organization; provided further, that the Board may, on the authorization of a majority of these members of the Corporation present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another rural telecommunication cooperative corporation or foreign corporation doing business in the Commonwealth of Kentucky pursuant to the Act under which this Corporation is incorporated.

Supplementary to the foregoing paragraph and any other applicable provisions of law or these Bylaws, no sale, lease-sale, exchange, transfer or other disposition within a single calendar year of physical plant of the Corporation with net value in excess of seven percent (7%) of the Cooperative's total assets, based upon the most recent audit of the Corporation, shall be authorized except in conformity with the following:

- (a) If the Board looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer or other disposition, it shall first cause three (3) independent, non-affiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Corporation with respect to such a sale, lease, lease-sale, exchange, transfer or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a District Court Resident Judge for the Judicial District in Kentucky in which the Cooperative's headquarters are located. If such Judge refuses to make such designations, they shall be made by the Board.
- (b) If the Board after receiving such appraisals (and other terms and conditions which are submitted, if any) determines that the proposal should be submitted for consideration by members, it shall first give every other rural telecommunication cooperative corporately sited and operating in Kentucky (which has not made such an offer for such sale, lease, lease-sale, exchange, transfer or other disposition) an opportunity to submit competing proposals. Such opportunity shall be in the form of a written notice to such rural telecommunications cooperatives, which notice shall be attached to a copy of the proposal which the Corporation has already received and copies of the respective reports of the three (3) appraisers. Such rural telecommunications cooperatives shall be given not less than thirty (30) days during which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
- (c) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal, which has been submitted to it, it shall so notify the members not less than sixty (60) days before noticing a special meeting of the members thereon, or, if such be the case, the next annual members meeting, expressing in detail each of any such proposals, and shall call a special meeting of

the members for the consideration thereof and action thereon, which meeting shall be held not less than ten (10) nor more than thirty (30) days after the giving of notice thereof to the members: PROVIDED, that consideration and action by the members may be given at the next annual meeting if the Board so determines and if such annual meeting is held not less than ten (10) nor more than thirty (30) days after the giving of notice of such meeting.

- (d) Any fifty (50) or more members, by so petitioning the Board not less than thirty (30) days prior to the date of such special or annual meeting, may cause the Corporation, with the cost to be borne by the Corporation, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made. The provisions of this Article shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition to one or more rural telecommunications cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more rural telecommunications cooperatives.

The foregoing provisions of this Article shall not apply to prohibit or limit the Corporation from entering into any mortgage or security agreement or other financial contracts approved by the Board.

(July 30, 1987; January 25, 1990; April 26, 2018)

ARTICLE IX SEAL

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

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 1. **Contract.** 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 the behalf of the Corporation, and such authority may be general or confined to specific instance.

SECTION 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 Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation and in such manner as shall from time-to-time be determined by resolution of the Board.

SECTION 3. **Deposits.** All funds of the Corporation shall be deposited from time-to-time to the credit of the Corporation in such bank or banks as the Board may select.

SECTION 4. **Fiscal Year.** The fiscal year for the Corporation shall begin on July 1 of each year and shall end on the 30th day of June of the following year. (March 11, 1976: April 26, 2018)

ARTICLE XI
MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Corporation shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchase, provided, however that the Corporation may upon the authorization of the Board of Trustees, purchase stock in or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of area wide rural telecommunication services; or the Board of Trustees may authorize the purchase of stock in local corporations organized for the purpose of furthering the industrial development or civic improvement of the area which is certificated by the Public Service Commission as the service area of the rural telecommunications corporation; or the Board of Trustees may authorize the purchase of stock in building and loan associations or other savings institutions, insured by an agency of the federal government, for the purpose of investing currently unused funds of the Corporation.

(April 26, 2018)

SECTION 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 for such meeting by such member or trustee, except in case a member or trustee shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. 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 affairs of the Corporation, and shall conduct all meetings of the Board and members, regular or special, under parliamentary procedure wherein Robert's Rules of Order will prevail.

(July 30, 1987)

SECTION 4. Accounting System and Records. The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations or any regulatory body, shall conform to such accounting systems as may from time-to-time be designated by the Administrator of RUS of the United States of America. The Board shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Corporation as of the end of such fiscal year.

(April 26, 2018)

ARTICLE XII
AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two thirds (2/3) of the Trustees voting, at any regular or special meeting, provided a notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal. (March 9, 2006)