

Bylaws of Chariton Valley Telephone Corporation  
Effective Date: April 18, 2022

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**ARTICLE I  
MEMBERSHIP**

**SECTION 1**

A member is any patron that is accepted for membership with Chariton Valley Telephone Corporation (hereinafter called the “Cooperative”), and each member shall have an ownership interest in the Cooperative. A patron is any entity which purchases wireline communications service from the Cooperative entitling the patron to capital allocations and/or retirements pursuant to Article XI. A customer is any other entity with which the Cooperative does business on a nonpatronage basis.

**SECTION 2-Requirements for Membership**

Any person, firm, association, corporation or body politic or subdivision thereof within the Cooperative’s local incumbent exchange areas may become a Member of the Cooperative by:

- (a) Making application for wireline communications service from the Cooperative;
- (b) Agreeing to purchase wireline communications service from the Cooperative, as hereinafter specified;
- (c) Agreeing to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors (hereinafter called the “Board”); and
- (d) Being accepted for membership.

**SECTION 3-Membership Certificates**

Membership in the Cooperative may be evidenced by a certificate which shall be in such form and shall contain such provisions as shall be determined by the Board. The membership list and records maintained by the Cooperative shall be conclusive as to membership status.

**SECTION 4-Joint Membership**

Two persons of the opposite sex, or two persons of the same sex, who are married, may apply for a joint membership and, subject to their compliance with the requirements of Section 1 of this article, may be accepted for such membership. The term “member” as used in these bylaws shall be deemed to include the two married persons holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect to the holders of a joint membership shall be as follows:

- (a) The confirmed electronic vote of either 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 signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;

- (f) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office;
- (g) Neither will be permitted to have any additional service except through their one joint membership.

#### **SECTION 5-Conversion of Membership**

- (a) A membership may be converted to a joint membership, or a joint membership converted to a membership, upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the articles of incorporation, bylaws, and any rules and regulations adopted by the Board.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor, provided, however, that the estate for the deceased shall not be released from any debts due the Cooperative.

### **ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS**

#### **SECTION 1-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 – Liability for amounts owed to the Cooperative**

Each member shall pay all amounts owed by that member to the Cooperative as and when the same shall become due and payable.

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

#### **SECTION 1-Annual Meeting**

The annual meeting of the members shall be held each year for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other 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 Cooperative.

#### **SECTION 2-Special Meetings**

Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three directors, by the President of the Board, or by not less than five per centum of all members, and it shall be the duty of the Secretary of the Board to cause notice of such meetings to be given as hereinafter provided. Special meetings of the members may be held at any place within the counties of Carroll, Chariton, Howard, Linn, Livingston, Macon, Monroe, or Randolph, in the State of Missouri, as specified on the notice of the special meeting.

#### **SECTION 3-Date, Location and Notice of Member Meetings**

The Board shall determine the date, time and location for all meetings of the members. Written notice shall be delivered no less than twenty (20) or more than sixty (60) days before the

date set by the Board for the meeting. The Secretary of the Board shall mail with the notice of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee and also the nominations made by petition, if any. Such notice shall state the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Such notice shall be deemed delivered when deposited in the United States mail or upon delivery receipt confirmation of electronic mail, addressed to the member as it appears on the membership records of the Cooperative. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action taken by the members at any such meeting.

#### **SECTION 4-Quorum**

Five percent of the outstanding voting shares represented by confirmed electronic vote shall constitute a quorum at a meeting of members. Once a quorum is established, it shall be deemed to continue throughout the meeting. If less than a quorum is represented at any attempted members meeting, no business shall be conducted, and the presiding officer shall adjourn the meeting. The Board of Directors shall determine the date, time, and location of the adjourned meeting to be held within ninety (90) days of adjournment. Notice of a meeting adjourned pursuant to this Section 4 shall be in the same manner as set forth in Section 3 of this Article.

#### **SECTION 5-Voting**

Each member shall be entitled to one vote upon any matter submitted to a vote, and to one vote for each director election to be conducted. All questions shall be decided by a vote of a majority of the members voting, except as otherwise provided by these bylaws. All voting shall be by confirmed electronic votes for director elections, bylaw amendments submitted to the membership, and director removal in accordance with procedures provided by the Board of Directors. Directors may be elected by a plurality of the members voting. In case of a tie vote, the tie shall be broken by the President of the Board flipping a coin.

#### **SECTION 6-Proxies**

No member may vote by proxy at any time concerning any matter.

#### **SECTION 7-Meeting Business**

- (a) At any special meeting of the members only such business shall be conducted as shall have been set forth in the notice of special meeting.
- (b) At any annual meeting of members, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of the meeting, (ii) a proper subject matter of membership action under these bylaws, and (iii) approved by the Board for inclusion in the notice of meeting.

For an item of business proposed to be transacted by a member at an annual meeting, the member must deliver a written request therefore to the Secretary of the Cooperative not later than forty (40) days in advance of such meeting. Such written request shall describe the business desired to be brought before the annual meeting. A ruling of the Board that the business proposed to be brought before a meeting is or is not a proper subject matter will be final and binding.

### **SECTION 8-Conduct of Meetings**

The Board may adopt by resolution such rules and regulations for the conduct of meetings of members as it shall deem appropriate, which shall be made available to any member upon request.

### **SECTION 9-Order of Business**

The order of business at the annual meeting of the members and, so far as possible, at all other meetings, shall be essentially as follows, except as otherwise determined by the presiding officer of such meeting.

1. Report on the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication and mailing thereof, with the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meeting of the members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors and committees.
5. Announcement of election of directors or other voting results.
6. Unfinished business.
7. New business.  
With regard to new business, any matter which constitutes “new business” and which requires a vote of the members must be included in the notice of meeting in accordance with Article III, Section 7.
8. Adjournment

## **ARTICLE IV DIRECTORS**

### **SECTION 1-General Powers**

The business and affairs of the Cooperative shall be managed by a Board of Directors which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

### **SECTION 2-Election and Tenure of Office**

All directors shall be elected by secret ballot by and from the members to serve until their successors have been elected and shall have qualified. Three directors shall be elected each year for a term of three years each. Directors may be elected by a plurality vote of the members voting in an election. No director may serve more than four full terms on the Board. Directors completing three full terms prior to the 2018 Annual Meeting of Members will not be eligible to serve a fourth term. Membership lists or electronic voting lists will not be provided to members, candidates for director, or any other person for use in an election.

**SECTION 3- Qualifications.** To be eligible to become or remain a director of the Cooperative, a person:

- (a) must be a member, or designee of a firm, association, corporation, partnership, body politic or political subdivision member;
- (b) must maintain primary residence in an area which the Cooperative serves;

- (c) must have an account with the Cooperative for which there have been no more than two (2) delinquencies during the twelve (12) months immediately preceding nomination or appointment;
- (d) can not have been convicted of, pled guilty to, or entered a plea of no contest to a felony crime;
- (e) cannot be employed by the Cooperative, or have been employed by the Cooperative within thirty-six (36) months immediately preceding election or appointment as director, or be employed by or financially interested in a business engaged in selling telephone or other communications services or supplies in competition with the Cooperative.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the Board shall remove such director from office. Nothing contained in this section shall effect in any manner whatsoever the validity of any action taken at any meeting of the Board.

#### **SECTION 4-Nominations**

It shall be the duty of the Board of Directors to appoint, not less than one-hundred and five (105) nor more than one-hundred and sixty-five (165) days before the date of a meeting of the members at which directors are to be elected, a committee on nominations consisting of five members meeting the qualifications for director set forth in Section 3 of this Article, one from each geographical area. Members of the committee shall not be a current cooperative employee, agent, officer, director, or known candidate for director. Members interested in serving on the committee shall submit a completed online application. The first qualified applicant completing an online application from each geographic area will be deemed appointed to the committee. If there is no application for committee member from a particular geographical area, the Board of Directors shall appoint a member from that area. Otherwise, the Board of Directors shall make appointments from the completed application pool each year.

The general geographic areas shall be known as the northwestern area (consisting of the following exchanges: New Boston, Bucklin, Ethel, New Cambria, Prairie Hill and Bynumville), the northeastern area (consisting of the following exchanges: Atlanta, Bevier, Callao and Excello), the southwestern area (consisting of the following exchanges: DeWitt, Bosworth, and Hale ), the south central area (consisting of the following exchanges: Salisbury and Forest Green) and the southeastern area (consisting of the following exchanges: Clifton Hill, Huntsville and Jacksonville). There shall always be two directors from each geographic area, except the southwestern area which shall have one director. The nominating committee shall select nominees from the area for which a board member is to be elected.

Incumbent directors from each geographical area in which an election will be conducted at the meeting will be considered nominated unless a director has served four full terms, or unless the director has announced termination of service as a director. Other members interested in being nominated must submit an online application to the nominations committee and complete an online questionnaire. Members with properly completed applications and questionnaires will constitute a pool from which the committee can make director nominations.

The committee shall prepare and post online on the Cooperative's website not less than seventy-five (75) days before the meeting a list of nominations for the directors which shall include a minimum of two candidates and a maximum of four candidates for each director to be elected. In addition to nominations made by the committee, nominations may be made by a petition signed by one hundred (100) or more members. Each page of any such petition must clearly identify the individual being nominated. Nomination by petitions must be submitted to the Secretary not less than forty (40) days prior to the meeting. Not less than thirty (30) days prior to the meeting, the Secretary shall post and publish all nominations by petition alongside the list of nominations made by the committee. The Secretary will not accept any nominations by petition at any time after the fortieth (40<sup>th</sup>) day prior to the meeting. The presiding officer of the meeting will not accept any nominations from the floor during the meeting. Any attempt to make nominations from the floor will be ruled out of order.

The Board of Directors shall be responsible to create, maintain, and regularly notify members of the online information available to members interested in serving on the nominating committee or on the Board of Directors.

#### **SECTION 5-Removal of Board Member by Members**

At a special meeting of the members for considering charges brought against a board member, at which a quorum is present, directors may be removed in the following manner. Any member may bring charges against a board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the members or 200 members, whichever is the lesser, may request the removal of such board member by reason thereof. Such board member shall be informed in writing of the charges at least twenty (20) days prior to the special 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 and to present information in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members. A confirmed vote of a majority of the members that are present and voting, is required for removal. Any vacancy created by such removal shall be filled in the following manner: Upon establishing the date of the special meeting, the Board of Directors will notify the nominating committee last appointed prior to establishing the date, and the nominating committee shall prepare, not less than five (5) days before the meeting, a list of qualified potential nominations which shall include a minimum of two candidates for each director subject to removal in each geographic area. For vacancies caused by removal, the nominated candidates will be disclosed to the membership within five (5) days after the meeting, and a replacement election shall be conducted within twenty (20) days after the meeting. Vacancies will be filled by the nominee receiving a majority or plurality of confirmed electronic votes for that vacancy.

#### **SECTION 6-Vacancies**

A vacancy in the Board not occurring due to removal by members shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term.

#### **SECTION 7-Compensation**

Directors shall not receive any salary as Directors except by resolution the Board may from time to time set a fixed sum, and any expenses of attendance, to be allowed each director for

attendance at meetings of the Board, conferences, training programs of the Cooperative or related organizations, or attendance at regulatory, legislative, or judicial proceedings. No Director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Director receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by such Director, or close relative, shall have been certified to by the Board as an emergency measure. For the purpose of this section, close relative includes spouse, child, step-child, grandchild, parent, brother, half-brother, sister, half-sister, and grandparent.

Subject to the provisions of Article XII, no director shall be provided any insurance benefits after December 31, 1985, except for accident insurance, business travel accident insurance, or health insurance with the health insurance premium paid by the director.

### **SECTION 8 – Catastrophic Loss of Board Members**

The loss of four (4) or more board members arising from an event of natural or human origin shall be deemed a catastrophic loss of Board members. In the event of a catastrophic loss of Board members, the remaining Board members shall appoint, within one hundred twenty (120) days, individuals qualified, pursuant to the qualifications, set out in these Bylaws, to serve as Board members for each of the Districts which suffered the loss of a Board member, keeping in mind the principle of equitable geographic representation. Board members so appointed shall serve until the next annual meeting of the membership, at which time all Board positions appointed under this Section shall stand for election. In the event of a catastrophic loss wherein two (2) or less Board members remain, the remaining Board member(s), or if no Board remains, the highest ranking Cooperative staff member, shall call a special meeting of the membership within ninety (90) days of the occurrence of the vacancy to elect the applicable number of Board members to fill the vacant positions in accordance with all provisions of these Bylaws wherein these specially elected Board member(s) shall serve until the next regularly scheduled annual meeting of the membership at which time all such appointed positions shall stand for election.

### **SECTION 9 – Quorum During Catastrophe**

In the event of a catastrophic loss as defined in Section 8, the traditional quorum requirements are suspended pending the appointment of new Board members, in order to allow the remaining Board members to meet and conduct business. All actions of the Board during this time period shall stand for ratification at the next Board meeting wherein a traditional quorum is present.

## **ARTICLE V MEETINGS OF DIRECTORS**

### **SECTION 1-Regular Meetings**

A regular meeting of the Board shall be held without notice, immediately following, and at the same place as, the annual meeting of the members. A regular meeting of the Board shall also be held monthly at such date and time at the corporate office as the Board of Directors provides by resolution. Such regular monthly meeting may be held without notice to any Director except in any instance when the Board may have resolved to meet on a date or place different from the dates, or places hereinabove specified.

### **SECTION 2-Special Meetings**

Special meetings of the Board may be called by the President of the Board or by any three directors, and it shall thereupon be the duty of the Secretary of the Board to cause notice of such meeting to be given as hereinafter provided. The President of the Board or the Directors calling the meeting shall fix the time and place. By agreement of a majority of all Directors the time for any special meeting of the Board may be changed and the place of any special meeting of the Board may be changed to or specified for any location within or outside of the State of Missouri.

### **SECTION 3 – Meeting by Conference Call or Board Vote without Meeting**

Upon notice as set forth in Section 4 of this Article, special directors' meetings may be conducted by a conference call, or votes on specific matters by a certain deadline may be conducted without a meeting. Meetings by conference call or requests for votes on specific matters without a meeting may be called by the President of the Board, or by any three directors, and it shall thereupon be the duty of the Secretary of the Board to cause notice of such meeting or vote without a meeting to be given. The President of the Board or Directors calling the meeting by conference call or vote without a meeting shall fix the date and time of the conference call, or the deadline for voting without a meeting. Votes shall be recorded electronically.

### **SECTION 4 -Notice of Directors' Meeting or Vote**

Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each board member either personally, or by electronic mail, by or at the direction of the Secretary of the Board, or upon a default in duty by the Secretary of the Board, by the President of the Board or one of the directors calling the meeting or vote. Electronic mail shall be deemed received when sent to the electronic mail address of the board member. Notice shall be provided at least five days before the date set for the meeting, call, or voting deadline.

### **SECTION 5 -Quorum**

A majority of the Board shall constitute a quorum for meetings, provided, that if less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time; and provided further, that the Secretary of the Board shall notify any absent Directors of the time and place of such adjourned meeting. The act of a majority of the Directors present at a meeting at which a quorum is present, or the act of a majority of the Board on matters considered without a meeting, shall be the act of the Board.

## **ARTICLE VI OFFICERS**

### **SECTION 1**

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

### **SECTION 2-Election and Term of Office**

The officers of the Board shall be elected by ballot, 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. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. 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.

### **SECTION 3-Removal of Officers and Agents by the Board**

Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby.

### **SECTION 4-President of the Board**

The President of the Board shall:

- (a) be the principal officer of the Board of Directors, and unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board; and
- (b) in general perform all duties incident to the office of President of the Board and such other duties as may be prescribed by the Board from time to time.

### **SECTION 5-Vice President of the Board**

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

### **SECTION 6-Secretary of the Board**

The Secretary of the Board shall be responsible for:

- (a) keeping the minutes of the meetings of the Board in the book provided for that purpose.
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) keeping on file at all times a complete copy of the Articles of Incorporation and bylaws of the Cooperative containing all amendments thereto; and
- (d) generally performing all duties incident to the office of Secretary of the Board and such other duties as from time to time may be assigned by the Board.

### **SECTION 7-Treasurer of the Board**

The Treasurer of the Board shall be responsible for:

- (a) the general performance of all the duties incident to the office of Treasurer of the Board and such other duties as from time to time may be assigned by the Board.

### **SECTION 8- Operating Officers**

#### **(a) President and Chief Operating Officer**

The Board shall appoint a President and Chief Operating Officer, who may be, but shall not be required to be, a member of the Cooperative, and who shall not be a Director of the Cooperative. The President and Chief Executive Officer shall be the principal executive officer of the Cooperative and shall in general supervise and control all of the business, employees, and affairs of the Cooperative. He or

she may sign, with other officers, as authorized by the Board of Directors, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and Chief Executive Officer, and such other duties as may be prescribed by the Board of Directors from time to time.

(b) **Secretary**

The President and Chief Executive Officer shall designate an employee as Secretary of the Cooperative who shall be responsible for the safekeeping of the Cooperative books and records for safekeeping and affixing the seal of the Cooperative to documents as required, keeping a register of the names and addresses of all members, and such other duties as may be prescribed by the President and Chief Executive Officer from time to time.

**SECTION 9-Reports**

The officers of the Cooperative 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 Cooperative at the close of such fiscal year.

**SECTION 10-Delegation**

The Board of Directors may, except as otherwise limited by law, delegate the regular routine administration of the duties of the offices of the Cooperative to agents or employees of the Cooperative.

**ARTICLE VII  
DISPOSITION OF PROPERTY**

The Board of Directors, without authorization by 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, licenses, 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.

The Cooperative may not sell or otherwise dispose of or encumber all or any substantial portion of its property, and may not merge or consolidate with non-affiliates of the Cooperative, other than another communications company, unless such sale, lease or other disposition is authorized at a meeting of the members thereof by affirmative vote of not less than three-fourths of all the 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. A sale of the stock of a direct or indirect wholly-owned subsidiary of the Cooperative shall not require membership approval.

All proposals for any such sale or disposition, including mergers or consolidations with non-affiliates of the Cooperative, other than another communications company, shall be first submitted in writing to the Board of Directors. If the Board determines to submit a proposal to the members, it shall notify the members of the proposal, and obtain at least two independent appraisals of the value of the assets proposed to be sold or disposed, to be performed by independent appraisers experienced in such evaluations. The Board shall provide information as to the proposal, appraisals, and any board recommendation in the notice of member meeting at which consideration shall be conducted, which meeting shall be not less than ninety (90) days from the date of receipt of the proposal.

## **ARTICLE VIII SEAL**

The Corporation Seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the Words "Corporate Seal-Missouri".

## **ARTICLE IX FINANCIAL TRANSACTIONS**

### **SECTION 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 2- Loans**

No loans shall be contracted on behalf of the Cooperative and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instance.

### **SECTION 3-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 4-Deposits**

All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

### **SECTION 5-Fiscal year**

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

## **ARTICLE X MISCELLANEOUS**

### **SECTION 1-Membership in Other Organizations**

The Cooperative shall not become a member of or purchase stock in any other organization or corporation without an affirmative vote of the Board of Directors at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchases, provided, that the Cooperative may upon the authorization of the Board, purchase stock in or become a member of any corporation or organization for the purpose of engaging in or furthering the cause of communications.

### **SECTION 2-Waiver of Notice**

Any member or Board member may waive in writing any notice of a meeting required to be given by these bylaws. The confirmed electronic vote of a member at a member meeting, or the attendance of a Board member at any Board meeting shall constitute a waiver of notice of such meeting, except in case a member or Board member 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-Policies, Rules, and Regulations**

The Board shall have power to make and adopt such policies, 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 Cooperative.

### **SECTION 4-Accounting System and Reports**

The Board shall cause to be established and maintained a complete accounting system which complies with applicable laws and rules and regulations of any regulatory body, with jurisdiction over the Cooperative. The Board shall also cause to be made by a certified public accountant a full and complete annual audit of the accounts, books, and financial condition of the Cooperative. The results of such audit shall be reported to the members at the next following annual meeting.

### **SECTION 5- Inspection of Records**

A member requesting to inspect records of the Cooperative for a legitimate purpose for which the member is entitled shall be permitted to inspect same during the usual and customary hours of business in such manner as will not unduly interfere with the regular conduct of the business of the Cooperative. The Board of Directors may establish rules and regulations pertaining to the use or duplication of such records, which shall not be used to the detriment of the Cooperative, including but not limited to arrangements for the protection of confidential or proprietary information, limitations as to disclosures of the records, and indemnification of the Cooperative against loss due to the unauthorized use or disclosure of such records.

## **ARTICLE XI CAPITAL CREDITS**

### **SECTION 1-Interest or Dividends on Capital Prohibited**

The Cooperative shall at all times be operated for the mutual benefit of members and other patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by members or patrons.

### **SECTION 2-Capital in Connection with Furnishing Services**

In the furnishing of telecommunications service by the Cooperative, the Cooperative's operations shall be conducted so that all patrons will furnish capital to the Cooperative. In order to induce participation and to assure that the Cooperative will be operated for the mutual benefit of its patrons, the Cooperative is obligated to account on a patronage basis to all patrons for all amounts received and receivable from the furnishing of facilities and services in excess of operating costs and expenses, including reasonable reserves for working capital. All 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. Classes of service based upon equitable distinctions may be utilized to determine the appropriate costs and expenses associated with different classes of service. The books and records of the Cooperative shall be established and kept in such a manner that at the end of each fiscal year the amount of capital, if any, as determined on a patronage basis for federal income tax purposes, so furnished by each patron is credited in an appropriate record to the capital account of each patron. The Cooperative shall within a reasonable time after the close of each fiscal year notify each patron of the amount of capital so credited to their account. All such amounts credited to the capital account of a patron shall have the same status as though they had been paid to the patron in cash pursuant to a legal obligation to do so, and the patron had then furnished the Cooperative corresponding amounts for capital.

### **SECTION 3-Dissolution**

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 or ownership rights of members. After patronage retirement, remaining profit and assets of the Cooperative shall be distributed among members and former members in proportion to the aggregate patronage of each member in relation to the total patronage of all members during the seven (7) years next preceding the date of filing of the certificate of dissolution.

### **SECTION 4-Retirement**

If, at any time prior to the dissolution or liquidation, the Board of Directors determines that the financial condition of the Cooperative will not be impaired thereby, capital credited to patrons' accounts may be retired in full or in part, less any outstanding amounts due and owing the Cooperative from such patron or customer. The Board of Directors shall determine the method, basis, priority, and order of retirement; subject to the limitation that at least one-half of the amount of any retirement shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

### **SECTION 5-Estates**

Notwithstanding any other provisions of these bylaws, the Board of Directors may, upon the written request of the legal representative of the estate of any deceased patron who was a natural person, or of the legal representative of a lawfully terminated patron that is a firm, partnership, association, corporation, body politic or subdivision thereof (corporate entity), or of the legal representative of an assignee of a patron, or upon the effectiveness of a non-probate Transfer on Death of a patron, retire such patron's capital allocations prior to the time such capital would otherwise be retired. In computing such retirement the capital retired will be reduced by discounting retirements which would otherwise have occurred in the future to present value based upon the Cooperative's cost of capital, as determined by the Board of Directors. Such discounts shall be transferred to permanent capital.

### **SECTION 6-Control of Board of Directors**

By policy, rule or regulation the Board of Directors is authorized to establish classes of membership or patronage, and classes of service, in order to equitably provide for the allocation of capital credits, and retirements of patronage capital.

The Board of Directors shall have the sole discretion to determine all questions, disputes, or matters of doubt as to patron, member, or customer status, as to class or classes of service, as to accounting, allocation, or retirement of patronage capital, and as to payments on account or property rights of members at dissolution or liquidation.

### **SECTION 7-Assignment**

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions of the assignor, in accordance with any rules and regulations of the Board of Directors.

### **SECTION 8-Unclaimed Moneys**

Notwithstanding any provision herein contained to the contrary, any present or former patron or customer who fails to claim any deposit, membership fee, payment for retirement of capital credits, or other money or account balance within two (2) years after payment thereof has been made available to such patron or customer, such patron or customer shall be deemed to have made an irrevocable gift and contribution to the Cooperative of such unclaimed monies. Upon expiration of two or more years after availability of such monies, the Cooperative shall give sixty (60) days' notice in a newspaper of general circulation, published in the Counties within the Cooperative's service area. Such notice shall contain Chariton Valley's logo, information that unclaimed monies are available and the web address where patrons or customers may access the list, which list shall contain the patron or customer's name, approximate amount and type of unclaimed monies, and the deadline by which to claim the money. Both the newspaper notice and the website list will state that if not duly claimed within sixty (60) days after the publication notice, the Cooperative shall, after offsetting any outstanding amounts due and owing the Cooperative from such patron or customer, thereafter treat the net unclaimed amount as permanent capital of the Cooperative.

**ARTICLE XII  
INDEMNIFICATION**

The Cooperative shall indemnify and defend present and former directors, officers, agents, and employees against liability to the extent their acts or omissions constituting the grounds for alleged liability were performed in their official or delegated capacity and, if actionable at all, were based upon good faith business judgments in the belief that the actions or non-actions were in the best interest of the Cooperative, or not against the best interest of the Cooperative. The Cooperative may purchase insurance to cover the indemnification and defense. The Board of Directors may adopt rules and regulations setting forth the procedures for requesting and considering requests for indemnity and defense.

**ARTICLE XIII  
AMENDMENTS**

These bylaws may be altered, amended, or repealed by the members at any regular or special meeting, provided the notice of the meeting shall have contained a copy of the proposed alteration, amendment, or repeal. These bylaws may also be altered, amended, or repealed by the Board of Directors, provided the notice of board meeting shall have contained a copy of the proposed alteration, amendment, or repeal.