

**BYLAWS
OF
KINGDOM TELEPHONE COMPANY**

**ARTICLE I
SHAREHOLDERS**

SECTION 1. Eligibility to Purchase Common Stock. Any person, firm, association, corporation, or body politic, or subdivision thereof may become a holder of common stock (hereinafter called "Shareholder") of Kingdom Telephone Company (hereinafter called the "Corporation") by:

- (a) Making a written subscription for common stock and application for telecommunications service;
- (b) Agreeing to purchase from the Corporation telecommunications service 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 directors (hereinafter called the "Board"); and
- (d) Agreeing to pay the par value for one share of common stock as hereinafter specified on uniform terms and conditions established by the Board;

provided, however, that agreement to pay or payment of the par value of one share of common stock in accordance with the provisions of these bylaws by a landlord on behalf of an applicant for service who is a tenant occupying premises owned by such landlord and served by the Corporation shall constitute compliance by such applicant with subdivision (d) of this Section; and provided further, however, that no person, firm, association, corporation, or body politic, or subdivision thereof shall become a shareholder unless and until the issuance of common stock to him has been approved by the Board or the shareholders. No shareholder may hold more than one share of common stock in the Corporation and no share of common stock shall be transferable, except as provided in the articles of incorporation and bylaws.

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

SECTION 2. Eligibility to Purchase Preferred Stock. Any person, firm, association, corporation, or body politic, or subdivision thereof may become a holder of preferred stock of the Corporation. Preferred stock shall be issued by the Corporation upon direction of the Board and shall be sold by the Corporation only at the par value thereof.

SECTION 3. Stock Certificates. Stock certificates for common and preferred stock shall be in such form and shall contain such provisions as shall be determined by the Board. Such certificates shall be signed by the President and by the Secretary and the corporate seal shall be affixed thereto. No certificate shall be issued for less than the par value thereof, nor until such share has been fully paid for. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms and indemnity to the Corporation as the Board may prescribe.

SECTION 4. Joint Ownership. Any two natural persons may apply for a share of common stock to be owned jointly, subject to their compliance with the requirements set forth in these bylaws and any rules or policies established by the Board. The term "Shareholder" as used in these bylaws shall be deemed to include any two natural persons holding jointly a share of common stock, and any provisions relating to the rights and liabilities of shareholders of common stock shall apply equally with respect to those jointly owning a share of common stock. Without limiting the generality of the foregoing, the effect of hereinafter-specified actions by or in respect to the joint owners of a share of common stock shall be as follows:

- (a) The presence of either or both at a meeting shall be regarded as the presence of the shareholder 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) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

SECTION 5. Conversion and Termination of Ownership. Joint ownership shall be converted or terminated as follows:

(a) Ownership of a share of common stock may be converted to joint ownership upon the written request of the owner thereof and the agreement by such owner and his or her co-applicant to comply with the articles of incorporation, bylaws, and any rules and regulations adopted by the Board. The outstanding stock certificate shall be surrendered, and shall be re-issued by the Corporation in such manner as shall indicate the changed ownership status. Re-submittal of the Corporation's form of Application for Membership executed by both parties as Joint Members shall constitute compliance with this section. Such conversion shall be made and recorded on the books of the Corporation.

(b) Upon the death of either person who is a party to the joint ownership of common stock, such ownership shall be held solely by the survivor. The outstanding stock certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed ownership status, provided, however, that the estate of the deceased shall not be released from any debts due the Corporation.

(c) Divorce of spouses shall terminate Joint Membership provided, however, that neither former spouse shall be released from any debts to the Corporation.

(d) Withdrawal of either Joint Member by providing written notice shall terminate the joint ownership but shall not release either from any debts to the Corporation.

(e) Expulsion of either shall terminate the joint ownership but shall not release either from any debts to the Corporation.

(f) In the event that a Joint Membership is terminated by divorce or written notice to the Corporation, capital credits earned during the Joint Membership shall be divided equally between the Joint Members, unless (i) the Joint Members both instruct the Corporation otherwise in a writing signed by both Joint Members; or (ii) a court of competent jurisdiction instructs the Corporation otherwise.

SECTION 6. Cancellation of Common Stock. The Corporation shall have the right to cancel the share of Common Stock owned by any shareholder who has for a period of three (3) months refused or failed to pay the Corporation for service furnished and to apply the par value thereof on the payment of the amount due. If the amount due is less than the par value of the Common Stock the balance shall be returned to the shareholder upon surrender of the certificate of stock.

SECTION 7. Purchase of Telecommunication Service. Telecommunication service shall include retail telephone and/or broadband services. Each shareholder shall, as soon as telecommunication service is available, take telecommunication service from the Corporation to be used on the premises specified in his application for service, and shall pay therefore monthly at rates which shall from time to time be fixed by the Board; provided however, that the Board may limit the amount of telecommunication service which the Corporation shall be required to furnish to any one patron. It is expressly understood that amounts paid for telecommunication service in excess of the cost of service and an amount sufficient to pay dividends, whether or not declared, on the outstanding shares of preferred stock are furnished as capital and each patron shall be credited with the capital so furnished as provided in these bylaws. Each patron shall pay the Corporation such minimum per month for telecommunication service as shall be fixed by the Board from time to time. Each patron shall also pay all amounts owed by him to the Corporation as and when the same shall become due and payable.

SECTION 8. Transfer of Common Stock. Any shareholder who shall desire to transfer a share of Common Stock of the Corporation owned by him, shall first offer the share to the Corporation which shall have the exclusive right to purchase such share at a price equal to the par value thereof within 30 days after such offer. Shares of stock so acquired by the Corporation may be held by it as treasury stock or may be transferred or issued to other persons who comply with the provisions of the articles of incorporation and bylaws of the Corporation with respect to the issuance of common stock. If the Corporation shall not have exercised its option to purchase such share, the shareholder, after the expiration of such time, shall be free to transfer such share but only to a person who has complied with the provisions of the articles of incorporation and bylaws of the Corporation with respect to the issuance of common stock.

ARTICLE II RIGHTS AND LIABILITIES OF SHAREHOLDERS

SECTION 1. **Rights on Dissolution.** Upon dissolution, after all debts and liabilities of the Corporation shall have been paid, the holders of preferred stock shall be entitled to receive cash in the amount of their preferred stock at par value before any payment in liquidation is made upon the common stock, and shall not thereafter participate in any of the property of the Corporation by virtue of owning preferred stock. After payment of the par value of the common stock outstanding capital credits shall be retired without priority on a pro rata basis. The remaining property and assets of the Corporation shall be distributed among the shareholders as provided by law.

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

ARTICLE III MEETING OF SHAREHOLDERS

SECTION 1. **Annual Meeting.** The annual meeting of the shareholders shall be held on any Saturday in March of 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 Corporation.

SECTION 2. **Special Meeting.** Special meetings of the shareholders may be called by resolution of the Board, by the president, or by twenty per centum of all the shareholders, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the shareholders may be held at any place within the area served by the Corporation as the board of directors may by resolution designate.

SECTION 3. **Notice of Shareholders' 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 or more than thirty days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the persons calling the meeting, to each shareholder. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his address as it appears on the records of the Corporation, with postage thereon prepaid. The failure of any shareholder to receive notice of an annual or special meeting of the shareholders shall not invalidate any action which may be taken by the shareholders at any such meeting.

In addition to the written or printed notice provided for herein, the Corporation shall publish notice in a daily or weekly newspaper published in the city or county where the registered office of the Corporation is located, the first insertion to be not less than twenty days prior to the date of the meeting. If such notice be published in a weekly newspaper, such notice shall be published at least twice, and if such notice be published in a daily newspaper, such notice shall be published at least nine times.

SECTION 4. **Quorum.** Five per cent of the outstanding shares of Common Stock, represented by confirmed electronic vote shall constitute a quorum at a meeting of shareholders. Once a quorum is established, it shall be deemed to continue throughout the meeting. If less than a quorum is represented at any attempted shareholders' 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.** Except for the election of directors, each shareholder shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the shareholders. All questions shall be decided by a vote of a majority of the shareholders voting except as otherwise provided by law, the articles of incorporation or by these bylaws. In all elections for directors each shareholder shall have the right to cast as many votes in the aggregate as shall equal the number of voting shares so held by him or her in said Corporation, multiplied by the number of directors to be elected at such election, and each shareholder may cast the whole number of votes for one candidate or distribute them among two or more candidates and such directors shall not be elected in any other manner.

All voting shall be by confirmed electronic votes for director elections, bylaw amendments submitted to the membership, and director removal in accordance with the procedures provided by the Board of Directors. In the case of a tie vote, the tie shall be broken by the President flipping a coin.

SECTION 6. **Proxies.** No shareholder may vote by proxy at any time concerning any matter.

SECTION 7. **Meeting Business.**

1. At any special meeting of the shareholders only such business shall be conducted as shall have been set forth in the notice of special meeting.
2. At any annual meeting of shareholders, 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 (a) specified in the notice of the meeting; (b) a proper subject matter of shareholder action under these bylaws, and (c) approved by the Board for inclusion in the notice of meeting.

For an item of business proposed to be transacted by a shareholder at an annual meeting, the shareholder must deliver a written request therefore to the Secretary of the Company either by personal delivery or by United States mail not later than seventy five (75) calendar days prior to the date such annual meeting is to be held. Such written request shall include: (a) the name and address of the proposing shareholder; and (b) a brief description of the business desired to be brought before the annual meeting and the material interest of the proposing shareholder in such proposal. A ruling of the Board that the business proposed to be brought before a meeting is or is not proper subject matter will be final and binding.

SECTION 8. **Order of Business.** The order of business at the annual meeting of the shareholders and, so far as possible, at all other meetings of the shareholders, 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 the notice of the meeting and proof of the due publication and mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
3. Reading of unapproved minutes of previous meetings of the shareholders and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, directors, and committees.
5. Election of directors.
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 Corporation shall be managed by a board of nine directors which shall exercise all of the powers of the Corporation except such as are by law, the articles of incorporation and these bylaws conferred upon or reserved to the shareholders.

SECTION 2. **Qualifications.** No person shall be eligible to become or remain a director of the Corporation who:

- (a) Is not a shareholder of common stock of the Corporation and who is not presently residing in the area served or to be served by the Corporation, or
- (b) Is in any way employed by or financially interested in a competing enterprise or a business engaged in selling telecommunication service or supplies, or constructing or maintaining telecommunication facilities, other than a business operating on a cooperative non-profit basis for the purpose of furthering rural telecommunication service.
- (c) Not have had their company service disconnected for non-payment of a debt owed to the Cooperative during such director's term of office and within thirty-six months prior to becoming a director;

(d) Not have been convicted of, pled guilty to, or entered a plea of no contest to a felony crime; and

(e) Not be an employee of the Cooperative or any subsidiary thereof or have been employed by the Cooperative or any subsidiary thereof during a period of sixty months prior to becoming a director. In addition, former employee(s) terminated for cause are not eligible.

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 affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

SECTION 3. Election and Tenure of Office. To assure the geographic representation on the nine-member board of directors, the Board shall consist of one director from each of the Corporation's seven exchanges (Auxvasse, Big Spring, Hatton, Mokane, Rhineland, Tebbetts and Williamsburg); one at large director from among the Corporation's three northern exchanges (Auxvasse, Hatton and Williamsburg); and one at large director from the Corporation's four southern exchanges (Big Spring, Mokane, Rhineland and Tebbetts). Notwithstanding any provision of the preceding sentence to the contrary, the directors serving on the Board immediately before the 1998 annual meeting, shall continue to serve on the Board until their successors are elected and qualified.

At each annual meeting, the shareholders entitled to vote shall elect, by ballot, three directors to serve a term of three years and until their successors shall have been elected and qualified, in the following manner:

- (a) At the 1998 annual meeting, and each third succeeding annual meeting thereafter, shareholders shall elect one director from the Hatton exchange, one director from the Rhineland exchange and one director at large from the Corporation's three northern exchanges.
- (b) At the 1999 annual meeting, and each third succeeding annual meeting thereafter, shareholders shall elect one director from the Auxvasse exchange, one director from the Big Spring exchange and one director from the Tebbetts exchange.
- (c) At the 2000 annual meeting, and each third succeeding annual meeting thereafter, shareholders shall elect one director from the Mokane exchange, one director from the Williamsburg exchange and one director at large from the Corporation's four southern exchanges.

SECTION 4. Nominations. It shall be the duty of the Board to appoint, not less than sixty (60) nor more than one hundred twenty (120) days before the date of the meeting of the shareholders at which directors are to be elected, a committee on nominations consisting of not less than five nor more than eleven shareholders who shall be selected from different sections of the area served or to be served so as to insure equitable representation. No member of the Board may serve on such committee. The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Corporation at least fifty (50) days before the meeting a list of nominations for directors which list may include a greater number of nominees than are to be elected. Any fifteen or more shareholders acting together may make other nominations by petition not less than forty (40) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting or separately, but at least two weeks before the date 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 the nominations made by petition, if any. The ballot to be used at the election shall list the names of the candidates nominated by the committee and the names of the candidates nominated by petition, if any. The Secretary will not accept any nominations by petition at any time after the fortieth (40th) 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.

SECTION 5. Removal of Directors by Shareholders. Any shareholder may bring charges against a director and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the shareholders, or two hundred shareholders, whichever is the lesser, may request the removal of such director by reason thereof at any special meeting of the shareholders called expressly for the purpose of voting on the removal of such director. Such director shall be informed in writing of the charges at least ten days prior to the special meeting of the shareholders 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 against him shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the special meeting of the shareholders and the removal of such director must be approved by the affirmative vote of not less than two-thirds of the shareholders voting thereon. Any vacancy created by such removal may be filled by vote of the shareholders at such special meeting without compliance with the foregoing provisions with respect to nominations.

SECTION 6. Removal of Directors for Cause. Any director may be removed for cause by action of a majority of the entire board of directors if the director, at the time of removal, fails to meet the qualifications stated in the bylaws for election as director.

SECTION 7. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of directors by the shareholders, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term.

SECTION 8. Compensation. Directors shall not receive any salary for their services as directors, except that by resolution of the Board a fixed fee in an amount set by the Board and actual expenses of attendance, if any, may be allowed for attendance at each meeting of the Board. No directors shall receive compensation for serving the Corporation in any other capacity, nor shall any close relative of a director receive compensation for serving the Corporation unless the payment and amount of compensation shall be specifically authorized by a vote of the shareholders or the service by such director or close relative shall have been certified by the Board as an emergency measure.

ARTICLE V MEETINGS OF DIRECTORS

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 shareholders. A regular meeting of the Board shall also be held monthly at such time and place in Callaway County, Missouri, 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.

SECTION 2. Special Meetings. Special meetings of the Board may be called by the President or by any three directors, 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 directors calling the meeting shall fix the time and place, which shall be in the service area of the Corporation, for the holding of the meeting.

SECTION 3. Notice of Directors' Meetings. Written notice of the time, place, and purpose of any special meeting of the Board shall be delivered to each director not less than five days previous thereto either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the Secretary, by the President, or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Corporation, with postage thereon prepaid.

SECTION 4. Quorum. A majority of the Board shall constitute a quorum, 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 shall notify any absent director 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 shall be the act of the Board.

SECTION 5. Participation by Conference Telephone or Other Communications Equipment. Regular or special meetings may be conducted through the use of conference telephone or other communications equipment by means of which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the persons so participating.

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 who need not be a member of the Board or the owner of common stock.

SECTION 2. Election and Term of Office. The officers shall be elected by ballot, annually by the Board at the meeting of the Board held immediately after the annual meeting of the shareholders. 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 shareholders 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 Directors. 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 shareholder 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 per centum of the shareholders, or two hundred shareholders, 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 days prior to the board meeting 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 evidence in respect to the charges and the person or persons bringing the charges against him shall have the same opportunity to also be heard.

SECTION 4. President. The president shall:

- (a) Be the principal executive officer of the Corporation;
- (b) Shall preside at all meetings of the shareholders of the Board unless otherwise determined by the Board or unless the President chooses to designate another chair to preside at any meeting of the shareholders and the Board;
- (c) Sign, with the Secretary, certificates of capital stock, the issue of which shall have been authorized by the board of Directors or the shareholders; and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instrument authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and
- (d) 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.

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 shareholders 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 law;
- (c) Be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to all certificates of capital stock prior to the issue thereof and 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 of and post office addresses of all shareholders;
- (e) Sign, with the President, certificates of capital stock, the issue of which shall have been authorized by the Board or the shareholders;
- (f) Have general charge of the books of the Corporation;
- (g) Keep on file at all times a complete copy of the articles of incorporation and bylaws of the Corporation containing all amendments thereto, which copy shall always be open to the inspection of any shareholder, and at the expense of the Corporation forward a copy of the bylaws and all amendments thereto to each shareholder; and
- (h) In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board to him.

SECTION 7. Treasurer. The Treasurer shall:

- (a) Have charge and custody of and 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; 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.

SECTION 8. Manager. The Board may appoint a manager who may be, but who shall not be required to be, a shareholder 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 responsibility 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 such 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 directors and close relatives of directors.

SECTION 11. Reports. The officers of the Corporation shall submit at each annual meeting of the shareholders 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 such fiscal year.

SECTION 12. Indemnification of Directors, Officers, Employees or Agents. The cooperative shall indemnify to the fullest extent permitted by law against expenses, including attorney fees, judgments, costs, fines, and amounts paid in settlement, actually and reasonably incurred, any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director, officer, employee, or agent of the Cooperative, or is or was serving any other enterprise at the request of the Cooperative.

ARTICLE VII CAPITAL CREDITS

SECTION 1. Patronage Capital in Connection with Furnishing Telecommunication Service. In the furnishing of telecommunication service, the Corporation's operations shall be so conducted that all patrons (the term "patron" shall include shareholders and other persons purchasing telecommunication service, other than exchange access or billing and collection services,) will through their patronage furnish capital for the Corporation. The Corporation is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of telecommunication service in excess of operating costs and expenses properly chargeable against the furnishing of telecommunication service and an amount sufficient to pay dividends whether or not declared, on the outstanding shares of preferred stock. All such amounts at the moment of receipt by the Corporation are received with the understanding that they are furnished by the patrons as capital which the Corporation is obligated to pay by credits to a capital account for each patron. The books and records of the Corporation shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Corporation shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any 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 patron had then furnished the Corporation corresponding amounts for capital.

All other amounts received by the Corporation for its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amounts so allocated shall be included as a part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid and par value of stockholders common and preferred shares returned, together with any dividends declared thereon and unpaid, outstanding capital credits shall be retired without priority on a pro rata basis. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Corporation will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirement of capital shall be made as determined by the Board of Directors on a non-discriminatory basis.

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

Notwithstanding any other provisions of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital

credited to any such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representative of such patron's estate shall agree upon, provided, however, that the financial condition of the Corporation will not be impaired thereby.

The 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 patron, and both the Corporation and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article shall be called to the attention of each patron of the Corporation by posting in a conspicuous place in the Corporation's office.

If the Board of Directors elects to retire all or any portion of the capital then credited to patrons' accounts, or in the event of the dissolution or liquidation of the Corporation, then the amount so retired for each patron shall be distributed as follows:

- (1) If no portion of the Corporation's account receivable from a patron is sixty (60) days or more past due, then the amount to be retired from the patron's capital account shall be paid to the patron; however.
- (2) If any portion of the Corporation's account receivable from a patron is sixty (60) days or more past due, then so much of the amount to be retired from that patron's capital account as may be necessary to eliminate the Corporation's account receivable which is sixty (60) days or more past due shall be paid to the Corporation and the balance of the amount to be retired from that patron's capital account, if any, shall be paid to the patron.

SECTION 2. Unclaimed Monies. Notwithstanding any provisions herein contained to the contrary, any patron or former patron or other consumer who fails to claim any capital credits, patronage refunds, or credit account balances within two (2) years after payment thereof has been made available to such person, shall have made an irrevocable assignment and gift to the Corporation of such unclaimed monies. Upon expiration of at least two (2) years after availability of such monies, the Corporation shall give at least sixty (60) days notification by publishing at least two (2) notices within a thirty (30) day period in a newspaper of general circulation in the county in which the patron last received service from the Corporation. Such notice shall contain the owner's name, and type of owner's interest and that if not duly claimed within sixty (60) days of said notices, the same shall be deemed assigned and donated to the Corporation. If no provable claim shall have been filed within sixty (60) days after the publication of such notices, the Corporation shall, after offsetting any outstanding amounts due and owing the Corporation from said patron, former patron or customer, thereafter treat the net unclaimed amount as donated capital of the Corporation on the 60th day after the published notice. Upon first treating the unclaimed monies of any patron, former patron, or customer as donated capital, any future unclaimed monies of that patron shall be treated as donated capital without notice.

ARTICLE VIII DISPOSITION OF PROPERTY

The Corporation may not sell, mortgage, lease, or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease, or other disposition or encumbrance is authorized at a meeting of the shareholders thereof by the affirmative vote of not less than three-fourths of all the shareholders 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 shareholders 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 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 United States of America or any instrumentality or agency thereof, or to any other bank or financial institution or organization.

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 "Corporation Seal, Missouri".

ARTICLE X 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 Corporation, and such authority may be general or confined to specific instances.

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 a 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. Change in Rates. Written notice shall be given to the Administrator of REA of the United States of America not less than ninety days prior to the date upon which any proposed change in the monthly rates charged by the Corporation for telecommunication service becomes effective.

SECTION 5. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations. The Company shall not become a member of or purchase stock in any other organization without the affirmative vote of the Board of Directors.

SECTION 2. Waiver of Notice. Any shareholder or director may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a shareholder or director at any meeting shall constitute a waiver of notice of such meeting by such shareholder or director, except in case a shareholder or director 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.

SECTION 4. Accounting System and Reports. The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to the applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designed by the Administrator of the Rural Electrification Administration 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. Such audit reports shall be submitted to the shareholders at the next following annual meeting.

ARTICLE XII AMENDMENTS

The shareholders may make, alter, amend, or repeal the bylaws at any regular or special meeting provided the notice of such meeting shall have contained a copy of the proposed adoption, alteration, amendment, or repeal. The Board of Directors may also alter, amend, or repeal the bylaws provided that this authority shall not extend to any provisions which the shareholders shall have altered, or amended, or to the readoption of the substance of any provision which the shareholders shall have repealed.