It shall be the aim of
EASTERN SLOPE RURAL
TELEPHONE ASSOCIATION, INC.
to provide dependable area-wide communications services including but not limited to voice and/or broadband services on the cooperative plan and at the lowest cost consistent with sound economy and good management.

BYLAWS
of
EASTERN SLOPE RURAL TELEPHONE ASSOCIATION, INC.

Amended to April 23, 2024

ARTICLE I MEMBERSHIP

Section 1. Requirements For Membership. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Eastern Slope Rural Telephone Association, Inc. (hereinafter called the "Cooperative") upon receipt of telephone or other communications services from the Cooperative, provided that he, she, or it has first:

(a) Made a written application for membership herein;

(b) From and after January 13, 2021, that he, she, or it has agreed to purchase communications services as described in the Mission Statement from the Cooperative in accordance with established tariffs, terms of service, or advertised rates;

(c) Agreed 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. No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable except as provided in these bylaws;

(d) Provided, however, that no person, firm, association, corporation, or body politic or subdivision thereof shall become a member unless and until he, she, or it has been accepted for membership by the Board or its designee.

(e) subscribed to communications services within the specific geographical cooperative area as defined in the Cooperative's Terms of Service.

(FOOTNOTE - An interpretation resolved by the Board of Directors, adopted May 1988, of this Section 1 is found at the end of these Bylaws.)

Section 2. Membership Record. Membership in Eastern Slope Rural Telephone Association, Inc., shall be evidenced by enrolling the name of the member upon the membership records kept and maintained in the office of the Cooperative, which membership record shall be the exclusive evidence of membership.

Section 3. Joint Membership. A husband and wife 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 a husband and wife 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 of, the holders of a 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 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) 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 for such office.

Section 4. Conversion of Membership.
(a) A membership may be converted to a joint 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. The estate of the deceased shall not be released from any debts due the Cooperative.

Section 5. Purchase of Communications Services. Each member shall, as soon as communications service is available, take services from the Cooperative, to be used on the premises specified in his, her, or its application for membership, 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 communications services which the Cooperative shall be required to furnish to any one member. It is expressly understood that amounts paid for communications 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 pay to the Cooperative such minimum amount per month for communications services as shall be fixed by the Board from time to time. Each member shall also pay all amounts owed by him, her, or it to the Cooperative, as and when the same shall become due and payable.

Section 6. Termination of Membership and Transfer of Shares of Common Stock.
(a) The Board may, by the affirmative vote of not less than two-thirds of all of the directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, bylaws, or any rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Secretary that such failure makes him, her, or it liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by a 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 days after he, she, or it has been notified service is available to him, her, or it shall be cancelled without further action by or on behalf of the Cooperative, its Board of Directors, or General Manager.

(b) Upon the withdrawal, death, cessation of local service by the member, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. The termination of membership in any manner shall not release a member or his, her, or its estate from any debt due the Cooperative.

(c) Any person, firm, association, corporation, or body politic or subdivision thereof, who is a member-shareholder in the Cooperative on the effective date of this amended Article 1, shall remain a member, provided however, that the Cooperative shall forthwith purchase at par value the share of common stock held by such member-shareholder upon receipt by the Cooperative of the certificate of stock properly endorsed.

(d) The expulsion of a member or the termination of a membership as provided herein, shall not act to forfeit the equity interest such member may have in the Cooperative's assets.

Section 7. Effective Date. This article shall in all things become effective immediately, provided, however, that all persons, firms, associations, corporations, or bodies politic or subdivisions thereof receiving telephone service from Eastern Slope Rural Telephone Association, Inc., as of the 22nd day of March, 1977, are hereby recognized and declared to be members of such Cooperative and are hereof relieved of the requirement to make written application specified in Section 1 hereof.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

Section 1. Property Interest of Members. Upon dissolution, after (a) all debts and liabilities of the Cooperative shall have been paid.(b) the par value of the outstanding stock if any, repaid, and (c) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each such member bears to the total patronage of all such members during the ten years next preceding the date the Cooperative ceased doing business.

Section 2. 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 3. Service Obligations.
(a) The Cooperative will use reasonable diligence to furnish adequate and dependable services, but it cannot and does not guarantee uninterrupted services, nor will it always be able to provide every service desired by each individual member.

(b) The members pledge to purchase all services from the Cooperative to the extent that its services are able to meet the member's needs and are competitively priced.

(c) The cooperation of members of the Cooperative is imperative to the successful, efficient, and economical operation of the Cooperative. Members who are receiving or who are requesting service shall be deemed to have consented to the reasonable use of their real property to construct, operate, maintain, replace, or enlarge telephone and communications lines, overhead or underground, including all conduit, cables,

wires, surface testing terminals, markers, and other appurtenances under, through, across, and upon any real property or interest therein owned or leased or controlled by said member, for the furnishing of telephone or communication service to said member, or any other member, at no cost to the Cooperative, and to execute any easement or right of way contract necessary or appropriate for such purpose.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meeting. A meeting of the members shall be held annually 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. The annual meeting shall be held at any place within the territory serviced by the Cooperative, which may from time to time be designated by the Board of Directors, and at such time during the calendar year as may be designated from time to time by the Board of Directors. The annual membership meeting may be held by a virtual platform when deemed necessary, due to governmental orders or at the discretion of the Board due to safety concerns. If the election of directors shall not be held on the day designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members, as soon thereafter as conveniently may be. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. If the day fixed for the annual meeting shall fall on a Sunday or legal holiday, such meeting shall be held on the next succeeding business day. 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, or by not less than 200 members or ten per centum of all 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. Special meeting of the members may be held at any place within the territory served by the Cooperative, specified in the notice of special meetings.

Section 3. Notice of Members' Meetings. Public notice of the time and place of the holding of each meeting shall be published not less than ten (10) nor more than thirty (30) days previous thereto in a newspaper printed in the county where the principal office of the Cooperative is located, and, if there be no such newspaper, then a newspaper printed in an adjoining county. Written or printed notice stating 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, shall also be delivered not less than thirty (30) days before the day of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting, to each member; and no business shall be transacted at such special meeting except as shall be mentioned in the notice, provided, however, that with respect to all meetings at which directors are to be elected, a notice shall be delivered, either personally, or by mail, not less than thirty (30) days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his, her, or its address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 4. Quorum. A quorum for the transaction of all business including the election of directors and amending the Certificate of Incorporation at all meetings of the members, shall be 5% of the members, or 50 members present in person, whichever is less. A member voting by mail-in ballot pursuant to Board resolution as permitted in section 5 of this Article III, shall be considered as being present for quorum requirements.

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, except in the election of directors. Each member shall be entitled to vote at the election of directors for as many directors as there are directors to be elected.

A member may vote by mail on any matter at any meeting, provided that (a) the mail voting on such matter is authorized by a resolution of the Board, (b) such vote is in writing on forms provided by the Cooperative, and (c) such vote is signed by such member.

Except as otherwise provided by law, the Articles of Incorporation or these bylaws, all questions shall be decided by a majority of these members voting thereon, except those involving multiple choice issues or determinations. Multiple choice issues or determinations shall be decided by **a** plurality vote.

Cumulative voting and proxy voting shall not be allowed.

Voting by members other than members who are natural persons shall be allowed upon presentation to the Cooperative, prior to each member meeting, satisfactory evidence that the person presenting the same is authorized to vote for the member.

Section 6. Fixing Record Date. For the purpose of determining members entitled to notice of or to vote at any meeting of members, or in order to make a determination of members for any other proper purpose, the Board may fix in advance a date as the record date for any such determination, such date in any case to be not more than thirty days, nor less than ten days, prior to the date on which the particular action requiring such determination of members, to be taken.

Section 7. 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. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or 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 members and the taking of necessary action thereon.
4. Presentation and consideration of reports of officers, trustees, and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of Directors consisting of not less than five, nor more than twelve, in number, which Board shall exercise all of the powers of the Cooperative except such as are prescribed by law, the Articles of Incorporation, or by these bylaws conferred upon or reserved to the members.

Section 2. Number of Directors, Election and Tenure of Office. The Board of Directors shall consist of seven (7). The Directors shall be elected at the Annual Meeting of Members. One or more Directors shall be elected to represent each District and At-Large District as determined from time to time by the Board. At each Annual Meeting of the Members, Directorships whose terms have expired or Directors for any newly reorganized Director District or At-Large Directorship shall be elected for a term of three years. A Director shall continue to serve until his or her successor is elected and qualified. The Board shall determine the number of Directors for each District and any At-Large Directorship(s). The number and scope of the Director Districts shall be determined by the Board of Directors.

The election of Directors shall be made by written ballot, except that election by voice vote shall be allowed where only one candidate has been nominated for a Director District or At-Large Directorship.

Each member of the Cooperative present at the Annual Meeting of the Members shall receive a written ballot listing all candidates for the Districts and At-Large seats. A voice vote shall be allowed if a candidate is unopposed. Each member of the Cooperative present at the meeting shall be entitled to vote for one for each Director District and At-Large candidate. Each member of the Cooperative present at the Meeting of the Membership shall be entitled to vote for one candidate for each Director District and At-Large Directorship. The candidate receiving the highest number of votes in each Director seat shall be considered elected as a Director of the Cooperative.

The Board shall have the power and authority to revise the Director Districts, to declare the number of Directors to serve from each Director District, and to declare the number of At-Large Directorships.

Section 3. Qualifications. No person shall be eligible to become or remain a Director of the Cooperative unless such person:

(a) Has resided, as a member of the cooperative in good standing, in the exchange from which he or she is elected or appointed for a period of at least three years.

(b) Is not an employee of the Cooperative or a former employee of the cooperative whose employment has been ended by retirement or termination less than four years prior to the date of his or her nomination, election or appointment as director.

(c) Is not closely related to an incumbent Director or an employee of the Cooperative. As used here, "closely related" means a person who is related to the principal person by consanguinity or affinity, to the third degree or less - that is, a person who is either a spouse, child, grandparent, parent, brother, sister, aunt, uncle, nephew, or niece, by blood or in law, of the principal. However, no incumbent Director shall lose eligibility to remain a Director or to be reelected as a Director if he or she becomes a close relative of another incumbent Director or of a Cooperative employee because of a marriage to which he or she was not a party; neither shall an employee lose eligibility to continue in the employment of the Cooperative if he or she becomes a close relative of a Director because of a marriage to which he or she was not a party.

Further, no person shall be eligible to become or remain a director if such person is in any way financially interested in a competing enterprise or a business engaged in selling communication services or communication supplies or maintaining communications facilities or equipment.

When a membership is held jointly, so long as one of the joint members shall serve as a director, the other joint member or members shall be ineligible to be elected or appointed to the office of director.

To remain a Director, the incumbent must attend two-thirds or more of the regular meetings during each twelve-month period beginning with the month of his or her election or appointment. Upon establishment of the fact that a Director or nominee is in violation of any of the provisions of this Section, that office or nomination shall be deemed vacant.

Upon establishment of the fact that a Director is serving as Director in violation of any of the foregoing provisions, the Board shall remove such Director from office.

Nothing in this Section shall affect, in any manner whatsoever, the validity of any action taken at any meeting of the Board of Directors.

Section 4. Nominations. Nominations for the office of director shall be made by any fifteen or more members of the cooperative in writing over their signatures affixed to nominating Petitions not earlier than sixty-five days prior to the meeting at which the election of directors is to be held. Such nominating petitions shall be filed with the Board of Directors no later than forty-five days prior to the meeting at which the election is to take place.

Section 5. Removal of Directors by Members. Any Director may be removed for cause at any time by the members pursuant to the procedure specified in this Section.

Ten percent (10%) or more of the members, or two hundred members, whichever is less, may bring charges requesting the removal of a director, by filing a petition with the Association's Secretary in writing, specifying in detail the charges constituting the cause for removal. Such petition must be signed by at least ten (10%) of the members, or two hundred members, whichever is less.

No petition for removal shall specify charges against more than one director.

If the removal of more than one director is requested, a separate petition for each director sought to be removed must be filed with the Association's Secretary in writing, specifying in detail the charges constituting the cause for removal. Each petition must be signed by at least ten percent (10%) of the members, or two hundred members, whichever is less.

The term “for cause" as used in this section is defined as malfeasance, misfeasance, or nonfeasance adversely affecting the Association's interest. "Malfeasance" is the doing of an act which is wholly wrongful and/or unlawful. "Misfeasance" is the improper doing of an act which a person may lawfully do. "Nonfeasance" means the omission of an act which a person ought to do. "For cause" does not mean conduct or decisions made in good faith with a reasonable basis for believing that the action authorized was in the lawful and legitimate furtherance of the Association's business.

The Association's Secretary shall, upon receipt of a written petition(s) signed by at least ten (10%) of the Association's members, or two hundred members, whichever is less, transmit such petition(s) to the entire Board of Directors for consideration at the Board's next regular or special meeting at which a quorum is present.

If at least six (6) members of the Association's Board of Directors have no charges brought against them, and if at least six (6) of such Directors find that cause, as defined in this section, has been stated in such petition(s), the request for removal shall be presented to and voted on at the next regular or special meeting of the members.

In the event there are not at least six (6) Directors at such regular or special meeting of the Board, against whom no charges have been brought, then such petition(s) shall be referred by the Association's president to an attorney at law, duly licensed to practice in the State of Colorado for at least five (5) years, for a determination as to whether or not cause, as defined in this section, has been stated in such petition(s). If charges have been brought against the Association's president, then such referral shall be made by the Association's general manager. Any attorney who has previously represented this Association shall not be eligible to be appointed as provided herein.

In the event such attorney finds that cause, as defined in this section, has been stated in such petition(s), the requested removal shall be presented to and be voted upon at the next regular or special meeting of the members.

The affirmative vote of a majority of the members voting thereon in person and, where authorized by resolution of the Board of Directors, by mail, is required to effect such removal; except that the affirmative vote of at least ten percent (10%) of the members is required to effect such removal.

In the event both the president and vice president have had charges brought against them, then at any meeting of the members at which such charges are to be voted upon, the Board of Directors shall, by resolution, designate a parliamentarian to conduct that portion of the meeting at which charges are to be heard and voted upon.

Written notice shall be given to all of the Association's members within thirty (30) days from the time such petition(s) is presented to the Board of Directors and/or attorney, that cause, as defined in this section, has not been stated against a directors) in such petition(s), if such be the case.

The directors against whom such charges have been brought shall be informed in writing of the charges at least thirty days (30) days prior to the meeting of members, and shall have an opportunity at the meeting to be heard in person and/or by counsel and to present evidence; and the persons bringing the charges against such directors) shall have the same opportunity.

Any vacancy in the Board of Directors created by such removal may be filled by a vote of the members of such meeting, without compliance with that portion of the provisions in Section 4, of Article IV requiring a nominating committee to be first appointed.

Section 6. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the re- moval of Directors by the members, a vacancy occurring in the Board of Directors resulting from the resignation, removal, death, or disability of a Director shall be filled by appointment by the affirmative vote of a majority of the remaining Directors, and the Director so appointed shall serve the unexpired portion of the term of the Director replaced.

In the event a vacancy occurs due to the addition of a new exchange to the Cooperative, such vacancy shall be filled by the affirmative vote of a majority of the Directors. The terms of appointment shall be until the next Annual Meeting of the Members, at which time a Director for the new or additional exchange shall be filled by a vote of the membership as provided in these bylaws. Following the election by a vote of the members at the Annual Meeting of the Members, the term of the Director from the new exchange shall be as provided in these bylaws.

In the event that a vacancy in the Board of Directors, from whatever cause, is not filled by the Board of Directors within ninety days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members, without compliance with the provisions of these bylaws governing nominations of Directors.

Section 7. Compensation. Directors may be allowed a fair remuneration for the time actually spent in the service of the Cooperative as Directors, and further actual expense of attendance, if any, may be allowed for attendance at each meeting of the Board, and for actual expenses incurred on business of the Cooperative. In addition, the Cooperative may, at its expense, purchase insurance (liability, life, medical and dental) on and for its Directors.

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 services to be performed by such Director or relative are specifically authorized by resolution of the Board of Directors and the reasons therefore stated.

Section 8. Indemnification. The cooperative shall indemnify any person made a party to any action, suit or proceeding, whether civil

or criminal, by reason of the fact that he, she, his or her testator, testatrix, or intestate, is or was a director, officer, agent, or employee of the Cooperative, or of any corporation which he or she serves in such capacity at the request of the Cooperative, against the reasonable expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with the defense of the actions, suit, or proceeding or in connection with any appeal in it. This right of indemnification shall not apply in relation to matters as to which said person shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty. The right to indemnification conferred by this Section shall not restrict the power of the Cooperative to make any indemnification permitted by law.

Section 9. Limitation of Liability. No person shall be liable to the Cooperative for any loss or damage suffered by it on account of any action taken or omitted to be taken by him or her as director, officer, agent, or employee of the Cooperative in good faith, if this person:

(a) relied upon financial statements of the Cooperative represented to him or her to be correct by President or other officer of the Cooperative having charge of its books of account, or stated in a written report by an independent public or certified public accountant or firm of accountants, fairly to reflect the financial condition of the Cooperative; or considered the assets to be of their book value; or

(b) relied upon the advice of legal counsel for the Cooperative.

A director shall not be liable to the Cooperative or to its members for breach of fiduciary duty as **a** director, provided that such exemption from liability for breach of fiduciary duty shall not be construed to eliminate or limit the liability of a Director to the Cooperative or to its members for monetary damages for:

(a) a breach of the Director's duty of loyalty to the Cooperative or to its members; or,

(b) an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law; or,

(c) an act or omission of the Director for which the statutes of the State of Colorado have specified as being an act which may give rise to the liability of a director; or,

(d) a transaction from which the Director derived an improper personal benefit; or,

(e) an act or omission of a Director occurring prior to June 11, 1988.

Section 10. Telephone Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear one another at the same time. Such participation shall constitute presence in person at the meeting.

Section 11. Informal Action by Directors. Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting if a consent (or counterparts thereof) in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote of the Directors, and may be stated as such in any documents delivered to any other party including any Articles filed with the Secretary of State under the Colorado Corporation Code.

Section 12. Rules, Regulations, Rate Schedules, and Contracts. The Board of Directors shall have power to make, adopt, amend, promulgate, and abolish such rules, regulations, rate classifications, rate schedules, contracts, security deposits or any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Articles of Incorporation or bylaws, as the Board may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative, or cause such to be submitted for any appropriate governmental-regulatory approval. Further, the Board of Directors may constitute itself into committees to make recommendations to the full Board in the course of its decisional processes.

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 Members if this is deemed convenient by a majority of the Board as constituted after the annual meeting. A regular meeting of the Board shall also be held monthly at such time and place as designated by the Board. Such regular monthly meetings may be held without notice, other than such resolution fixing the time and place thereof. Unless specifically prohibited by law, meetings, regular or special, may be conducted through the use of conference telephone or other communications equipment by means of which all persons participating in the meeting can communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the persons so participating.

Section 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 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 no less than five (5) 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 or her address as it appears on the records of the Cooperative, with postage thereupon 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 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, shall be the act of the Board.

ARTICLE VI OFFICERS

Section 1. Number. The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer, and such other officers as may be determined by the Board from time to time. The offices of Secretary and of 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 at the meeting of the Board held immediately after the annual meeting of the members. If the election of the 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 or her successor shall have been elected, and shall have qualified. Except as otherwise provided in these bylaws, the vacancy in the 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 Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten percentum of the members, or two hundred 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 an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. In the event the Board does not remove such officer, the question of his or her removal shall be considered and voted upon at the next meeting of the members.

Section 4. President. The President:

(a) shall be the principal executive officer of the Cooperative and shall preside at all meetings of the members and of the Board of Directors;

(b) shall sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which 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 Cooperative, 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 such other duties as may be prescribed by the Board of Directors

(c) in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5. Vice-President. In the absence of the President, or in the event of his or her 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 or her by the Board.

Section 6. Secretary. The Secretary shall:

(a) keep the minutes of the members and the Board of Directors 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 Cooperative and see that the seal of the Cooperative is affixed to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws.

(d) have general charge of the books of the Cooperative in which a record of the members is kept;

(e) keep on file at all times a complete copy of the Bylaws of the Cooperative containing ail amendments thereto, which copy shall always be open to the inspection of any members, and at the expense of the Cooperative, forward a copy of the Bylaws and of ail amendments thereto to each member; and

(f) 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 or her by the Board of Directors.

Section 7. Treasurer. The Treasurer shall be responsible for:

(a) Custody of all funds and securities of the Cooperative.

(b) The receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such financial institutions 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 to the General Manager the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this Section.

The general performance of all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned to the Treasurer by the Board; provided however, with respect to the duties and responsibilities of the Treasurer, the Cooperative

shall indemnify and hold the Treasurer harmless against any and all losses, claims, and damages which may be asserted against or imposed upon the Treasurer, in his official capacity, unless such claim is the result of an act personally committed or omitted by the Treasurer resulting in loss to the Cooperative.

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

Section 9. Bonds of Officers, Employees, Agents. Any officer, agent, or employee of the Cooperative actually having access to and 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 cost of such bonds shall be borne by the Cooperative.

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 Cooperative shall submit at each annual meeting reports to the members covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the conditions of the Cooperative at the close of the fiscal year.

Section 12. Delegation of Duties. In case of the death, or the temporary absence of any officer of the Cooperative, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of any such officer to any other officer or to any director or to the manager, provided a majority of the entire Board of Directors concurs therein.

ARTICLE VII COOPERATIVE OPERATION

Section 1. The Cooperative shall at all times be operated on a cooperative basis. No interest or dividends shall be paid on any common stock issued by the Cooperative or any capital furnished by its patrons, pursuant to Section 2 of this article.

Section 2. Patronage Capital in Connection with Furnishing Service. In the furnishing of service, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. The Cooperative is obligated to account on a patronage basis to ail its patrons for all amounts received and receivable from the furnishing of service in excess of operating costs and expenses properly chargeable against the furnishing of service. All such amounts, at the moment of receipt by the Cooperative, are received with the understanding that they are furnished by the patrons as capital, and the Cooperative is obligated to pay by credits to a capital account for each patron all such amounts. The books and records of the Cooperative 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 Cooperative shall, within a reasonable time after the close of the fiscal year, notify each patron of the amount of capital so credited to his or her 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 Cooperative corresponding amounts for capital. All accumulated operating deficits shall be recouped before any allocation of patronage capital is made, as set forth herein. Patronage capital shall be prorated to patrons in proportion to their service charges. In the event of dissolution or liquidation of the Cooperative after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired, without priority, on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order or priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired. After the 22nd day of March, 1977, the Board of Directors shall determine the method, basis, priority, and order of retirement, if any, for all amounts thereafter furnished as capital.

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

The Board, at its discretion, shall have the power at any time upon the death of any patron who is a natural person, if the legal representative of his or her 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 patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representative of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative 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 of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Section 3. Lien on Capital Credits. To secure the payment of an indebtedness of a member or patron to the Cooperative, the Cooperative shall have a first lien upon all properties, interests, capital investments, net margins, and any and all capital or capital credits allocated to and held for the benefit or account of any such member or patron.

Section 4. That pursuant to the powers of the Cooperative as provided in C.R.S.§7-56-501(1)(q) any member or former member who fails to claim, cash or negotiate any capital credits refund within three (3) years after the date of the issuance of the payment, therefore shall constitute an abandonment of said capital credits and the same shall be canceled according to the terms and provisions of C.R.S.§7-56-501(1)(q). The failure to claim any such payment shall include, but not be limited to, the failure of any such member or former member to negotiate or otherwise cash any capital credit check tendered by the Cooperative or to make a claim for payment pursuant to any notices sent or published by the Cooperative. For purposes of this bylaw section, the three (3) year limitation shall

commence on the date of the issuance of the capital credits refund check. All unclaimed and canceled capital credit balances as determined pursuant to the provisions of Article VII shall be transferred to the general operating account or such other account of the Cooperative as directed by the Board of Directors."

ARTICLE VIII DISPOSITION OF PROPERTY, DISSOLUTION

Section 1. Disposition of Property, Dissolution. The Cooperative may not sell, exchange or lease, or otherwise transfer or alienate all or any substantial portion of its property, or be dissolved or otherwise cease doing business in order to sell, exchange or lease, or otherwise transfer or alienate all or any substantial portion of the assets of the Cooperative, unless such sale, exchange or lease, or dissolution is authorized at a meeting of the members of the Cooperative by an affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, exchange, lease, dissolution, or other action to cease doing business shall have been contained in the notice of the meeting.

ARTICLE IX SEAL

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

ARTICLE X FINANCIAL TRANSACTIONS

Section 1. Contracts. Except as otherwise provided by 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. 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 3. Deposits. All funds 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 4. Change in Rates. Written notice shall be given to the Administrator of REA (RUS) of the United States of America not less than ninety (90) days prior to the date upon which any proposed change in the monthly rates charged by the Cooperative for telephone service becomes effective.

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

ARTICLE XI MISCELLANEOUS

Section 1. Membership in Other Organizations. The Cooperative may become a member or purchase stock in other profit or nonprofit organizations, associations, partnerships, or joint ventures when the Board finds that the general long-term interest of its membership and subscribers will be served by such investments or participation.

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

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 applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of REA (RUS) of the United State 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 Cooperative as of the end of such fiscal year. Such audit reports shall be submitted to the members at the next following annual meeting.

Section 5. Meeting Procedure. At all meetings of the members, of the Board of Directors, and of any committees thereof, meeting procedure, except as is provided by law or by the Articles of Incorporation, or other provisions of these bylaws, shall be governed by the latest edition of "Robert's Rules of Order."

Section 6. Setoff. Any funds to be paid **a** patron by the Association, whether a retirement of capital credits or otherwise, shall first be reduced and setoff by any amounts due the Association as shown on the records of the Association regardless of the time or times such amounts became due and owing.

ARTICLE XII AMENDMENTS

The first set of bylaws of the Cooperative shall be adopted by the Board of Directors, but thereafter the bylaws of the Cooperative may be altered, amended, or repealed by the Board of Directors at any regular or special meeting, or by the members at any regular or special meeting, provided that a notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal; and provided further that the provisions of Article VIII relating to a major disposition of the property and assets of the Cooperative and relating to the dissolution of the Cooperative may be altered, amended, or repealed only by the affirmative vote of not less than two-thirds (2/3) of all of the members of the Cooperative at a meeting of the members, the notice of which shall have contained notice of such proposed alteration, amendment, or repeal

FOOTNOTE

to Article I, Section 1, as resolved May 1988

Resolved that for the direction of the management and staff of the Cooperative, the meaning and intent of Article I, Section 1 of the Bylaws shall be construed to specify that separate and independent cooperative membership and voting privileges shall be established only for those branches or subdivisions of firms, associations, corporations, or bodies politics which, after a consideration of all relevant facts, can be determined to be sufficiently autonomous as to be considered substantially separate and independent entities. (Examples: Individual branches of the national Post Office system, and other separate state and federal governmental branches or divisions; local divisions or branches of state, regional, or national firms or corporations such as branch banks, local credit associations, local branches of the Federal Land Bank, and other farm credit corporations or associations; local units of national or regional hotels, motels or food markets or department stores or commercial establishments or restaurant chains.)

It was further resolved that the constituent departments of local, county or municipal governments, and individual schools of a school district shall not be considered to be sufficiently independent from the governmental entity and sufficiently autonomous as to be eligible for separate membership in the cooperative. In such instances, the individual departments of the county or the city or town and all of the schools in the school district shall be covered by one membership in the name of the county, the town or city or the school district, as the case may be. (Examples: The county shall be the member and not the County Sheriff's Department or the Social Services Department, or Road Department, or the Treasurer, or Assessor, or Clerk of Commissioners. The town or city shall be the member and not the Fire Department or Water or Sewer or Street or Park Department, or the Clerk or Treasurer, or Police Department or Marshal. The School District, but not the constituent schools, if more than one, shall be the member.

UNITED STATES DEPARTMENT OF AGRICULTURE

Rural Utilities Service

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