

OFFICIAL BYLAWS OF  
COLUMBUS TELEPHONE COMPANY, COLUMBUS, KANSAS

Article I.        Name and Place of Business.

Section 1.        The name of the cooperative corporation ("cooperative corporation" or "cooperative") shall be Columbus Telephone Company. Its principal office and place of business shall be located at 224 South Kansas Avenue, Columbus, Kansas.

Article II.        Board of Directors.

Section 1.        The property and business of the cooperative corporation shall be managed and controlled by a Board of Directors composed of six (6) members who shall be members of the cooperative corporation. The Directors shall be chosen by election of the members at an annual meeting of the members. Two Directors shall be elected to regular terms of three years each at each annual meeting. They shall serve until their successors are elected and qualified. In event of a vacancy in office of any Director by reason of death, resignation, or disqualification, the vacancy created shall be filled by a majority vote of the remaining Directors, and the successor so elected shall hold office until the next annual meeting

Section 2. Voting may be made in person, by proxy vote, or by self effectuating proxy vote.

Section 3. **Proxy Vote.** A member may authorize another person or persons to act for said member as proxy. Said member may grant such authority by executing a writing authorizing another person or persons to act as proxy or by returning duly completed ballot/proxy form.

Section 4. **Self Effectuating Proxy.** Any member who fails to return either a written authorization of designated proxy or ballot/proxy form is deemed to have granted a proxy to the officers of the cooperative corporation to conduct business at the meeting.

(a) In the event the proxy solicitation is for the election of directors, a failure to return either a written authorization of designation of proxy or ballot/proxy form is deemed by default to be an effective proxy vote of yes for the designated nominees for director of the cooperative corporation.

Article V. Officers and Organization.

Section 1. The Board of Directors shall convene immediately following adjournment of each annual meeting, or within one week thereafter, and shall elect a President and Vice-President from among their number. The Board of Directors shall also elect a Secretary and a Treasurer who shall be qualified persons but need not be members of the cooperative corporation or members of the Board of Directors.

Section 2. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business.

Section 3. A meeting of the Board of Directors shall be held each month at the cooperative corporation's office. This meeting may be adjourned to some other place for the transaction of business of

shall be their duty to require proper records to be kept of all business transactions of the cooperative corporation.

Section 2.       **Employment of Manager.** The Board of Directors shall have power to employ or to authorize the employment of a manager and such other employees as may be deemed necessary and to fix the amounts of their compensation. The manager shall have charge of the business of the cooperative corporation under the direction of the Board of Directors.

Section 3.       **Bonds and Insurance.** The Board of Directors shall require the manager and all other officers, agents, and employees charged by the cooperative corporation with responsibility for the receipt, custody, and disbursement of any of its funds or negotiable instruments to give adequate surety bonds to the cooperative corporation to assure the safety and integrity of such funds and instruments. Such bonds shall be furnished by a responsible bonding company and shall be approved by the Board of Directors. The cost of such bonds shall be paid by the cooperative corporation. The Board of Directors shall provide for the adequate insurance of the property of the cooperative corporation, or property which shall be in the possession or bailment of the cooperative corporation, or stored by it and not otherwise adequately insured, and in addition shall procure and provide adequate insurance covering liability of the cooperative corporation for accidents to all employees and the public, and for worker's compensation liability.

Section 4.       **Financial Oversight.** Qualified independent public accountants shall be engaged annually by the Board of Directors to provide financial oversight services regarding the financial operations and records of the cooperative corporation. The level of services to be provided shall be determined at the discretion of the Board of Directors. The officers and employees of the cooperative corporation shall make all records, accounts, documents and property of the cooperative corporation available to the independent

Section 3. **Duties of Secretary.** The secretary shall keep a complete record of all meetings of the cooperative corporation and of the Board of Directors, and shall have general charge and supervision of the books and records of the cooperative corporation. The secretary shall sign all papers pertaining to the cooperative corporation as the secretary may be authorized or directed to sign by the Board of Directors. The secretary shall collect all fees, assessments, and accounts due the cooperative corporation, and shall submit to the Board of Directors at its regular meetings a written monthly report showing all items of collection and disbursement for the preceding month, which report shall show cash on hand at the beginning of said month, the balance on hand at the close of business for the month, and the amount due the cooperative corporation from members. The secretary shall serve all notices required by law, or by these Bylaws, or as required by the Board of Directors. The secretary shall make a full and complete report of all matters and business pertaining to the secretary's office for each calendar year to the members at the next succeeding annual meeting. The secretary shall keep a corporate seal and impress it upon all papers upon which the seal of the cooperative corporation should properly be attached. The Secretary shall promptly surrender to his or her successor all books, records, accounts, files, correspondence, and other property of the cooperative corporation in the secretary's possession and under his or her control.

Section 4. **Duties of Treasurer.** It shall be the duty of the Treasurer to keep an account of all moneys, funds, and property of the cooperative corporation which shall fall into the treasurer's hands, and the treasurer shall render a statement of such accounts to the annual meeting of the members and such interim statements to the Board of Directors as they may require.

Purchasers of the cooperative's services at wholesale, or otherwise for resale, shall not be eligible for membership or patronage credits with respect to such wholesale services.

Membership shall become effective upon the date of commencement of service. Membership eligibility terminates upon disconnection of service; however, the Board may provide for suspension of service during periods of temporary absence of a member.

Any person, firm, association, corporation, limited liability company, partnership, limited liability partnership or body politic who resides outside the State Corporation Commission of the State of Kansas certificated area of the cooperative, and shall request service from the cooperative but who does not wish to become a member of the cooperative may be extended service at the discretion of the Board of Directors.

## Section 2. **Definition and Classifications.**

(1) The cooperative may have one or more classes of members in order to recognize differences in contribution to margin of different classes. If the Board establishes more than one class of membership, it shall determine definitions, the types, the qualifications and rights of each class and make such information readily available to the membership.

(2) No member may hold more than one membership of each class in the cooperative. No membership in the cooperative shall be transferable, except on the books of the cooperative and as provided for in these Bylaws.

(3) Each time sharing or interval ownership premise is considered as a single member. The corporation, partnership or other entity holding or managing the property will be deemed to hold the membership.

(4) Individual memberships will be freely transferable on the books of the cooperative between any persons in the same household or corporation upon request in writing. Thus, the term "member" as used in these Bylaws shall refer to an individual but can 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:

as capital from the moment of receipt, and each member shall be credited with the capital so furnished as provided in Article X of these Bylaws. However, the cooperative is not obligated to furnish such credits for services which are not led and collected by the cooperative, even when such services are partially rendered over the facilities of the cooperative. Each member shall pay the above amounts owed by him or her to the cooperative as and when the same shall become due and payable.

**Section 5. Termination of Membership.**

(1) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. Subject to the laws of Kansas relating to regulated public utility telecommunication services, the Board may, by the affirmative vote of not less than a majority of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules and regulations adopted by the Board, but only if such member shall have been given notice by the cooperative that such failure makes him/her 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 vote of the Board or by vote of the members at any annual or special meeting.

(2) Upon the withdrawal, death, cessation of service or expulsion of a member, the membership of such member shall thereupon terminate and will be so recorded on the books of the cooperative. Termination of membership in any manner shall not release a member or his/her estate from any debts due the cooperative nor do unpaid bills release members from their obligations under these Bylaws or rules and regulations approved by the Board.

(3) In case of withdrawal or termination of membership in any manner, the cooperative shall pay any amount due to the member for "capital credit" based upon such terms and conditions as the Board, acting under policies of general application, decides, provided, however, that the cooperative shall deduct, from that amount the amount of any debts or obligations owed by the member to the cooperative.

Article IX. Savings and Indebtedness.

Section 1. The Board of Directors shall have power to enter into indebtedness on behalf of the cooperative corporation for the purpose of constructing, maintaining, and operating extensions and additions to the cooperative corporation's facilities and to repair, improve, and maintain existing facilities; and may give security for the payment of said indebtedness by note, mortgage, or other evidence of debt; and may take such steps as are lawful and necessary to raise the funds for liquidation of said indebtedness.

Section 2. The Board of Directors shall maintain an operating balance of \$75,000 at all times and sufficient capital to support a five (5) year capital improvements program. Such funds may be placed in savings accounts or bonds and notes of the United States or in such other depositories or investments as the Board of Directors may determine.

Section 3. **Petty Cash Fund.** The Board of Directors shall have authority to set aside a designated amount of cash each month to meet the needs of compensation as defined in Section 5 of Article VII and for miscellaneous office expense. An accurate record shall be kept of all expenditures and transferred to appropriate budget line items at the end of each month.

Article X. Non-Profit Operation.

Section 1. **Interest or Dividends on Capital Prohibited.** The cooperative corporation shall at all times be operated on a non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the cooperative corporation on any capital furnished by its members.

Section 2. **Capital Credits in Connection with Furnishing Communications and Information Services.** In the furnishing of communications and information services the cooperative corporation's operations shall be so conducted that all members will, through their patronage, furnish capital for the cooperative corporation. In order to induce patronage and to assure the cooperative corporation will operate on a non-profit basis, the cooperative corporation is obligated to account on a patronage basis, all member generated revenues received and receivable from the furnishing

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 e made on account of property rights of members.

Capital credited to the account of each member shall be assignable only on the books of the cooperative, pursuant to written instruction from the assignor and only to successors in interest, or successors in occupancy, in all or in a part of such members' premises served by the cooperative, unless the Board, acting under policies of general application, shall authorize other types of assignments. Members at any time may assign their capital credits back to the cooperative and the cooperative is authorized to negotiate capital credit settlement arrangements with bankrupt members.

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

When the capital credits of any member no longer receiving service from the cooperative comes to a total amount of less than a fixed sum determined by the Board of Directors, the same shall be retired in full with such retirements made only when and at the same time that a general retirement to other patrons is made. During a general capital credit retirement, no checks shall be issued for less than a fixed amount determined by the Board, and the amount of such unretired capital credits will be retired in the first following year, when the total amount of capital credits qualifying for retirement exceeds that amount set by the Board, including the amount carried over.

All tax refunds made by the United States Government or any of the states in connection with the final or true cost of service as determined by the capital credits allocation process may be held and used by the cooperative as furnished patronage capital and shall be treated in the same manner as furnished capital set out in this Section of these laws.

members of the cooperative voting in person and by proxy. When the membership effects Bylaw changes or revisions, the specific changes or revisions become effective thirty (30) days after they are promulgated to the membership at large.

This is to certify that these revised Bylaws were adopted at the annual stockholders meeting of Columbus Telephone Company on February 26, 2020.



Dave Soper

Asst. Corporate Secretary