

BYLAWS

OF

Cumby Telephone Cooperative, Inc.

ARTICLE I

MEMBERSHIP

SECTION 1. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Cumby Telephone Cooperative, Inc. (Hereinafter call the "Cooperative") upon receipt of telephone or other communication services from the Cooperative, provided that he or it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase services from the Cooperative in accordance with established tariffs and as herein after specified;
- (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, and
- (d) Paid the membership fee hereinafter specified.

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.

SECTION 2. Membership Certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the board. Such certificate shall be signed by the President and by the Secretary of the Cooperative and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed by these bylaws, nor until such membership has fee been fully paid. In case a certificate is lost, destroyed, or mutilated, a new certificate may be issued therefore upon such uniform terms and indemnity to the Cooperative as the board may prescribe.

SECTION 3. Joint Membership. A husband and wife may apply for a joint membership and, subject to their compliance with the requirements set forth in Section 1 of the 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 board member, 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 rules and regulations adopted by the board. The outstanding membership certificate shall be surrendered, and shall be reissued by the Cooperative in such manner as shall indicate the changed membership status.

(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 outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

SECTION 5. Membership Fees. The membership fee shall be 10 dollars.

SECTION 6. Purchase of Services. Each member shall, as soon as service is available, take service from the Cooperative and shall pay therefore monthly at rates in accordance with established tariffs as fixed by the board. It is expressly as capital and each member shall be credited with the capital so furnished as provided in these bylaws. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall be become due and payable.

SECTION 7. Termination of Membership. (a) Any member may withdraw from membership upon compliance with such uniform term and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds 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 written notice by the Cooperative that such failure makes him 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. The membership of a member who for a period of thirty (30) days after service is available to him has not permitted the installation of service, or of a member who has ceased to purchase service from the Cooperative, may be canceled by resolution of the board.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate, and the membership certificate of such member shall be surrendered forthwith to the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of the membership fee the amount of any debt or obligation owed by the member to the Cooperative.

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) All capital furnished through patronage shall have been retired as provided in these bylaws, and

(c) All membership fees shall have been repaid, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member bears to the total patronage of all members during the ten years next preceding the date of the filling of the certificate of dissolution, or, if the Cooperative shall not have been in existence for such period, during the period of its existence.

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.

ARTICLE IIIMEETINGS OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held during the month of August of each year beginning with the year 1973 at such place within a county served by the Cooperative, as selected by the board and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

SECTION 2. Special Meetings. Special meetings of the members may be called by resolution of the board, or upon a written request signed by any three board members, by the President, or by not less than 200 members or by 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 meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the board and shall be specified in the notice of the special meeting.

SECTION 3. Notice of Members' Meetings. Written or printed 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 days nor more than twenty days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereupon 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. As long as the total number of members does not exceed five hundred, ten per centum of the total number of members, present in person, shall constitute a quorum. In case the total number of members shall exceed five hundred, fifty members or two per centum of the members, present in person, whichever shall be the larger, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members present in person.

SECTION 5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the articles of incorporation, or by these bylaws.

SECTION 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

1. 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 committee.
5. Election of board members.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

BOARD MEMBERS

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of 7 members which shall exercise all of the powers of the Cooperative except such as are by law, the articles of incorporation, or these bylaws conferred upon or reserved to the members.

SECTION 2. Election and Tenor of Office. The Board of Directors of this cooperative shall be composed of seven (7) members who shall be elected for a term of three (3) years each. The existing board members are assigned the following places: Place 1. Tom Drake; Place 2. Richard Plunkett; Place 3. Russell Stewart; Place 4. C. E. Clark; Place 5. Robert Yarbrough; Place 6. Dale Smith; Place 7. Fred Moseley, Jr. The assigning of such places being consistent with drawing held by such members. The term of office of persons holding Places 1 and 2 shall expire at the time of the annual meeting in 1973. The term of office of persons holding Places 3 and 4 shall expire at the time of the annual meeting in 1974. The term of office of persons holding Places 5, 6, and 7 shall expire at the time of the annual meeting held in 1975. All persons elected to fill the places hereinabove specified shall be elected and serve for a term of three (3) years. No director may serve more than two (2) consecutive terms on the board of directors of this cooperative.

SECTION 3. Qualifications. No person shall be eligible to become or remain a board member of the Cooperative who:

- (a) is not a member and bona fide resident of the area served or to be served by the Cooperative; or
- (b) is in any way employed by or financially interested in a competing enterprise or a business engaged in selling telephone service or supplies, or constructing or maintaining telephone facilities, other than a business operating on a cooperative non-profit basis for the purpose of furthering rural telephony.

Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the board shall remove such board member 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 4. Nominations. It shall be the duty of the board to appoint, not less than thirty days nor more than sixty days before the date of a meeting of the members at which board members are to be elected, a committee on nominations consisting of not less than 2 nor more than 5 members who shall be selected from different sections so as to insure equitable representation. No member of the board may serve on such committee. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least twenty days before the meeting a list of nominations for board members which shall include at least two candidates for each board position to be filled by the election. The Secretary shall be responsible for mailing with the notice of the meeting or separately, but at least ten days before the date of the meeting, a statement of the number of board members to be elected and the names and addresses of the candidates nominated by the committee on nominations. Any fifteen or more members acting together may make other nominations by petition and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. Nominations made by petition, if any, received at least five days before the meeting shall be included on the official ballot. Later nominations by petition shall be treated as nominations from the floor. The chairman shall call for additional nominations from the floor and nominations shall not be closed until at least one minute has passed during which no additional nomination has been made. No member may nominate more than one candidate.

SECTION 5. Removal of Board Members by Members. Any member may bring charges against a board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the members or 200, whichever is the lesser, may request the removal of such board member by reason thereof. Such board member shall be informed in writing of the charges at least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

SECTION 6. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of board members by the members, a vacancy occurring in the board shall be filled by the affirmative vote of a majority of the remaining board members for the unexpired portion of the term, provided, however, that in the event the vacancy is not filled by

the board within sixty 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 foregoing provisions in respect to nominations.

SECTION 7. Compensation. Board members shall not receive any salary for their services as such, except that members of the Cooperative may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the board. If authorized by the board, board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or his close relative shall have been certified by the board as an emergency measure. For the purpose of this section, close relative includes grandparents, parents, husband, wife, children, grandchildren, brothers, sisters, uncles, aunts, nephews and nieces, by blood, by marriage or by adoption, and spouses of any of the foregoing.

ARTICLE V

MEETINGS OF BOARD

SECTION 1. Regular Meetings. A regular meeting of the board shall be held monthly at such time and place within one of the counties served by the Cooperative as designated by the board. Such regular monthly meetings 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 board members, 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 board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Board Meetings. Written notice of the time, place, and purpose of any special meeting of the board shall be delivered to each board member either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or one of the board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five days before the date set for the meeting.

SECTION 4. Quorum. A majority of the board shall constitute a quorum, provided, that if less than such majority of the board is present at said meeting, a majority of the board present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent board members of the time and place of such adjourned meeting. The act of a majority of the board members present at a meeting at which a quorum is present shall be the act of the board, except as otherwise provided in these bylaws.

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 Treasurer may be held by the same person.

SECTION 2. Election and Term of Office. The officers shall be elected annually by and from the board at the first regular meeting after the annual meeting of the members. Each officer shall hold office until the first meeting of the board following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. a vacancy in any office shall be filled by the board for the unexpired portion of the term.

SECTION 3. Removal of Officers and Agents by the Board. Any officer or agent elected or appointed by the board may be removed by the board whenever in its judgment the best interests of the Cooperative will be served thereby. 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 per centum of the members or 200, 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 of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the board does not remove such officer, the question of his removal may be considered and voted upon at the next meeting of the members.

SECTION 4. President. The President shall:

- (a) be the principal executive of the Cooperative and, unless otherwise determined by the members or the board, shall preside at all meetings of the members and the board;
- (b) sign, with the Secretary, certificates of membership, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board or 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
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the board from time to time.

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 be responsible for:

- (a) keeping the minutes of the meetings of the members and of the board in books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all certificates of membership prior to the issue thereof, and 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) keeping a register of the names and post office addresses of all members;
- (e) signing, with the President, certificates of membership;
- (f) keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Cooperative containing all amendments thereto which copy shall always be open to the inspection of any member and at the expense of the Cooperative, furnishing a copy of the bylaws and of all amendments thereto to each member; and
- (g) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the board.

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 bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) the general performance of all 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 member of the Cooperative. The manager shall perform such duties and shall exercise 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 Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded 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 Cooperative to be bonded 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 a board member and close relatives of a board member.

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

ARTICLE VII

NON-PROFIT OPERATION

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

SECTION 2. Patronage Capital in Connection with Furnishing Telephone and Other Communication Services. In the furnishing of telephone and other communication services the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of telephone and other communication services in excess of operating costs and expenses properly chargeable against the furnishing of telephone and other communication services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. 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 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 other amounts received by the Cooperative from its operation in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any 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 amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

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 credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

Capital credited to the account of each patron shall be assignable only on the books of the cooperative pursuant to written instructions from the assignor and only to 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. In the event that a non-member patron shall elect to become a member of the Cooperative, the capital credited to the account of such non-member patron may, at the discretion of the board, be applied toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provision of these bylaws, the board 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 patron immediately upon such terms and conditions as the board, acting under policies of general application, and the legal

representatives 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.

ARTICLE VIII

DISPOSITION OF PROPERTY

The Cooperative 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 members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof; provided further that the board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this State pursuant to the Act under which this Cooperative is incorporated.

ARTICLE IX

SEAL

The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal Texas".

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

SECTION 4. 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, upon an affirmative vote of two-thirds or more of the Directors may become a member of, or purchase stock in, any other organization or corporation organized for the purpose of engaging in or furthering the cause of area wide telephone communications service; or furnishing financing or generating capital for the purpose of engaging in or furthering the cause of telephone; or, with the approval of the Administrator of REA, the Cooperative, upon the authorization of the Board of Directors, may purchase stock in or membership on behalf of the Cooperative, in a corporation or organization deemed necessary by the Directors for the more efficient operation of the Cooperative and for providing telephone communications service to its members at a reasonable cost.

SECTION 2. Waiver of Notice. Any member or board member may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or board member at any meeting shall constitute a waiver of notice of such meeting by such member or board member, except in case a member or board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. Policies, Rules, and Regulations. The board shall have power to make and adopt such policies, rules, and regulations, not inconsistent with law, the articles of incorporation, or these bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports. The board shall cause to be established and maintained a complete accounting system which, 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 the Rural Electrification Administration of the United States of America. The board shall also cause to be made by a certified public accountant a full and complete annual audit of the accounts, books, and financial condition of the Cooperative. The results of such audit shall be reported to the members at the next following annual meeting.

SECTION 5. Area Coverage. The board shall make diligent effort to see that telephone service is extended to all unserved persons within the Cooperative service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

SECTION 6. Indemnification of Officers, Directors, Employees, and Agents.

(a) Cooperative shall indemnify any person who was or is a party or 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 at the request of the Cooperative as a Director, officer, employee, or agent of another Cooperative, corporation, partnership, joint venture, trust or other enterprise, for all expenses (including attorney's fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner reasonable believed to be in or not opposed to the best interest of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful; provided, however, that such indemnity shall not include any expenses incurred by any such person in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Cooperative, except as provided by law. The Cooperative may purchase insurance to cover such indemnification.

(b) In no event shall anything contained hereinabove be construed so as to protect or to authorize the Cooperative to indemnify any such person against any liability to the Cooperative or to its members to which he would be subject by reason of his willful malfeasance, bad faith, gross negligence or reckless regard of the members' rights and duties involved in the conduct of his office as such Director, officer, employee, or agent.

(c) The indemnification provided hereinabove shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law agreement, vote of members or disinterested Director or otherwise, and shall not in any way limit any right which the Cooperative may have to make different or further indemnifications with respect to the same or different persons or classes of persons, and as provided by law.

(d) The foregoing right of indemnification shall insure to the benefit of the heirs, executors or administrators of any such person, Director, officer, employee or agent, and shall be in addition to all other rights to which such person may be entitled as a matter of law.

ARTICLE XIIAMENDMENTS

These bylaws may be altered, amended, or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal; provided, further, that Section 5 of Article III (relating to voting by members), Article VIII (relating to disposition of property), and Article XII (relating to amendment) of the bylaws may be altered, amended, or repealed only by the affirmative vote of not less than two-thirds of all of the members of the Cooperative.

RESOLUTION AMENDING BYLAWS OF
CUMBY TELEPHONE COOPERATIVE, INC.

WHEREAS, at the annual meeting of the members of the Cumby Telephone Cooperative, Inc. held and conducted on the 8th day of August, 1992, in the City of Cumby, Texas, a quorum as established by the Bylaws being present at such place and time, the following resolution was adopted by vote of the members as follows:

RESOLVED, that Article 3 Sec. 1 of the Bylaws of Cumby Telephone Cooperative, Inc. be and is hereby amended, so that said provision shall now read as follows:

Sec. 1: ANNUAL MEETING The annual meeting of the members shall be held during the month of October of each year beginning with the year 1993 at such place within a county served by the Cooperative, as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

Leon Higginbotham
President, Cumby Telephone
Cooperative, Inc.

Travis Baxley
Secretary, Cumby Telephone
Cooperative, Inc.

CERTIFICATE OF AMENDMENT OF BYLAWS
OF CUMBY TELEPHONE COOPERATIVE, INC.

The undersigned, being the duly elected, qualified, and acting secretary of the Cumby Telephone Cooperative, Inc., a Texas Corporation, and the keeper of the minutes and records of the corporation, certifies that the following is a true and accurate copy of the amendment to the Bylaws of this corporation as adopted by the members and executed on the 8th day of August, 1992:

RESOLVED, that Article 3 Sec. 1 of the Bylaws of Cumby Telephone Cooperative, Inc. be and are hereby amended, so that said provision shall read as follows:

Sec. 1: ANNUAL MEETING The annual meeting of the members shall be held during the month of October of each year beginning with the year 1993 at such place within a county served by the Cooperative, as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

TO CERTIFY WHICH, witness my hand this 8th day of August, 1992.

Travis Baxley
Secretary

RESOLUTION AMENDING BYLAWS OF
CUMBY TELEPHONE COOPERATIVE, INC.

WHEREAS, at the annual meeting of the members of the Cumby Telephone Cooperative, Inc. held and conducted on the 16th day of October, 1993, in the City of Cumby, Texas, a quorum established by the Bylaws being present at such place and time, the following resolution was adopted by vote of the members as follows:

RESOLVED, that Article 8 of the Bylaws of Cumby Telephone Cooperative, Inc. be and is hereby amended, so that said provision shall now read as follows:

ARTICLE VIII

DISPOSITION OF PROPERTY

The Cooperative 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 members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income there from, all upon such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof; provided further that the board may upon the authorization of two-thirds (2/3) of all the members of the corporation at a meeting of the members thereof, the notice of which shall have set forth the proposed action, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this State pursuant to the Act under which this Cooperative is Incorporated.

Luke Smith
President, Cumby Telephone
Cooperative, Inc.

Jack Holley
Secretary, Cumby Telephone
Cooperative, Inc.

CERTIFICATE OF AMENDMENT OF BYLAWS
OF CUMBY TELEPHONE COOPERATIVE, INC.

The undersigned, being the duly elected, qualified, and acting secretary of the Cumby Telephone Cooperative, Inc. a Texas Corporation, and the keeper of the minutes and records of the corporation, certifies that the following is a true and accurate copy of the amendment to the Bylaws of this corporation as adopted by the members and executed on the 16th day of October, 1993:

RESOLVED, that Article 8 of the Bylaws of Cumby Telephone Cooperative, Inc. be and is hereby amended, so that said provision shall now read as follows:

ARTICLE VIII

DISPOSITION OF PROPERTY

The Cooperative 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 members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon

such terms and conditions as the board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof; provided further that the board may upon the authorization of two-thirds (2/3) of all the members of the corporation at a meeting of the members thereof, the notice of which shall have set forth the proposed action, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this State pursuant to the Act under which this Cooperative is Incorporated.

TO CERTIFY WHICH, witness my hand this 16th day of October, 1993.

Luke Smith
President, Cumby Telephone
Cooperative, Inc.

Jack Holley
Secretary, Cumby Telephone
Cooperative, Inc.

RESOLUTION AMENDING BYLAWS OF
CUMBY TELEPHONE COOPERATIVE, INC.

WHEREAS, at the annual meeting of the members of the Cumby Telephone Cooperative, Inc. held and conducted on the 21st day of October, 1995, in the City of Cumby, Texas, a quorum as established by the Bylaws being present at such place and time, the following resolution was adopted by vote of the members as follows:

RESOLVED, that Article 4, Section 3, Paragraph (b) of the Bylaws of Cumby Telephone Cooperative, Inc. be and is hereby amended, so that said provision shall now read as follows:

No person shall be eligible to become or remain a board member of the cooperative who:

(b) is in any way employed by or financially interested in a competing enterprise or a business engaged in selling any service or supplies, or constructing or maintaining any facility, other than a business operating on a cooperative non-profit basis for the purpose of furthering any venture that may conflict with Cumby Telephone Cooperative, Inc. or any subsidiary thereof.

Luke Smith
President, Cumby Telephone
Cooperative, Inc.

Jack Holley
Secretary, Cumby Telephone
Cooperative, Inc.

CERTIFICATE OF AMENDMENT OF BYLAWS
OF CUMBY TELEPHONE COOPERATIVE, INC.

The undersigned, being the duly elected, qualified, and acting secretary of the Cumby Telephone Cooperative, Inc. a Texas Corporation, and the keeper of the minutes and records of the corporation, certifies that the following is a true and accurate copy of the amendment to the Bylaws of this corporation as adopted by the members and executed on the 21st day of October, 1995:

RESOLVED, that Article IV Section 3 Paragraph (b) of the Bylaws of Cumby Telephone Cooperative, Inc. be and is hereby amended, so that said provision shall now read as follows:

No person shall be eligible to become or remain a board member of the cooperative who:

(b) is in any way employed by or financially interested in a competing enterprise or a business engaged in selling any service or supplies, or constructing or maintaining any facility, other than a business operating on a cooperative non-profit basis for the purpose of furthering any venture that may conflict with Cumby Telephone Cooperative, Inc. or any subsidiary thereof.

Jack Holley
Secretary, Cumby Telephone
Cooperative, Inc.