

CODE OF REGULATIONS
OF
THE OTTOVILLE MUTUAL TELEPHONE COMPANY

an Equal Opportunity Employer

Properly Adopted at a Meeting of the Members
of
The Ottoville Mutual Telephone Company
on February 4, 2015.

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Chapter I. Membership

Section 1. Requirements for Membership: Any individual person, entity of any type, or body politic (or subdivision thereof) may become a member of The Ottoville Mutual Telephone Company, hereinafter called the Company, by:

- a) Making a written application to the Company;
- b) Agreeing to purchase telecommunications, communications, telephone, and information services at retail from the Company as an end-user of such services, in accordance with the rates, terms and conditions specified by the Company;
- c) Agreeing to comply with and be bound by the Articles of Incorporation and Code of Regulations of the Company and any rules or regulations adopted by the Board of Directors, hereinafter called the Board;
- d) Agreeing to pay the membership fee established by the Board, provided however, that agreement to pay or payment of the membership fee in accordance with the provisions of this Code of Regulations by a landlord on behalf of an applicant for membership who is a tenant occupying premises owned by such landlord and served by the Company shall constitute compliance by such applicant within subdivision (d) of this Section; and provided further, however, that no person, entity of any type, or body politic (or subdivision thereof) shall become a member unless and until that person, entity of any type, or body politic has been accepted for membership by the Board or the members. No member may hold more than one membership in the Company, and no membership shall be transferable, except as provided elsewhere in this Code of Regulations.

All applications received more than thirty days prior to each meeting of the members which have not been accepted or which have been rejected by the Board shall be submitted by the Secretary to such meeting and, subject to compliance by the applicant with the requirements hereinabove set forth, any such application may be accepted by a vote of the members. The Secretary shall give such applicant at least ten days written notice of the date of the members' meeting at which the applicant's application will be submitted and such applicant shall be entitled to be present and heard at the meeting; and

- e) Agreeing that purchasers of the Company's services at wholesale or otherwise for resale shall not be eligible for membership with respect to such services.

Upon acceptance of the application by the Board, 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.

Section 2. Membership Certificates: Membership in the Company may be evidenced by a membership certificate, which shall be in such form and shall contain such provisions as shall be determined by the Board. However, all membership certificates shall include on the front of each certificate (in a font that is conspicuous) a statement indicating that, “Membership in the Company is subject to significant restrictions contained in the Articles of Incorporation, the Code of Regulations, and other actions undertaken by the Company’s Board.”

Such certificates shall be signed by the President and by the Secretary and the corporate seal shall be affixed thereto. No membership certificate shall be issued for less than the membership fee fixed by the Board, nor until such membership fee has been fully paid.

In the event that a certificate is lost, destroyed, or mutilated; a new certificate may be issued therefore upon such uniform terms and indemnity to the Company as the Board prescribes.

Section 3. Joint Membership: Individual memberships shall be freely transferable on the books of the Company between any persons in the same household or Company, upon request from the member in writing.

Thus, the term “member” as used in this Code of Regulations shall refer to a natural individual or legal person or entity but can, on a grandfathered basis, be deemed to include a husband and wife still 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 grandfathered 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, if individually qualified; and
- h) Applications for joint memberships will not be accepted after March 1, 1990.

Section 4. Conversions of Memberships: Memberships in the Company are extended only to individual persons, entities (natural or legal), or bodies politic (or subdivisions thereof) that meet the requirements of Section 1 of this Chapter. Memberships formerly issued to husbands and wives, previously referred to as joint memberships, will be allowed to continue as explained in Section 3 immediately above.

- a) Newly established membership is not permitted to be owned jointly, but joint membership will be grandfathered as to certain married couples, as explained elsewhere in this Chapter.
- b) Upon the death of either spouse who is a party to a joint membership such membership shall be held solely by the surviving spouse. In such an instance, the outstanding membership certificate shall be surrendered, and shall be reissued in such manner as shall indicate the changed membership status, provided however, that no transfer or surrender of a certificate shall release the holder of the certificate from any debts due the Company.

Section 5. Membership Fee: The Board, at its discretion, may from time to time establish and set the amount of the membership fee, and in its discretion, may waive such fee when it deems the existence of special circumstances determined in the sole and absolute discretion of the Board. In addition, the Board may, at its discretion, establish additional fees for each connection, extension, and other services as established by the rules and regulations of the Board determined in the sole and absolute discretion of the Board.

Section 6. Purchase of Telecommunications, Communications, Telephone, and Information Services: Each person who applies for membership shall subscribe to one or more services of the Company as soon as service becomes available. The member shall pay for such service monthly in accordance with rates established in tariffs or rate schedules as fixed by the Board. It is expressly understood that amounts in excess of cost received by the Company for all telecommunications, communications, telephone, and information services are furnished by the members as capital from the moment of receipt; and each member shall be credited with the capital so furnished as provided in Chapter VIII of this Code of Regulations. However, the Company is not obligated to furnish such credits for services that are not billed and collected by the Company, even when such services are partially rendered over the facilities of the Company. Each member shall pay the above amounts owed by the member to the Company when the same shall become due and payable.

Section 7. Termination of Membership: Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe in the Board's sole and absolute discretion.

- a) The Board may, by the affirmative vote of not less than two-thirds (2/3) of the entire Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Code of Regulations, 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 that member liable to expulsion and such failure shall be continued for at least ten days after such notice was given.

- b) Any expelled member may be reinstated by an affirmative simple majority vote of the Board or by an affirmative simple majority vote of the members at any annual or special meeting.
- c) Except as set forth in Section 3 above, upon 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 Company. Termination of membership in any manner shall not release any member or member's estate, successors, heirs, and/or assigns from any debts due the Company, nor do unpaid bills release members from their obligations under this Code of Regulations or rules and regulations adopted by the Board.
- d) If a membership has been paid by a landlord on behalf of the landlord's tenant, upon removal of such tenant from the premises of the landlord, the membership of such tenant shall terminate.

Chapter II. Rights and Liabilities of the Company and the Members

Section 1. Service Obligations: The Company will use reasonable diligence to furnish adequate and dependable services, but the Company cannot and does not guarantee uninterrupted services. Similarly, the Company may not always be able to provide every service desired by each individual member.

Section 2. Cooperation of the Members in the Extension of Services: The cooperation of members of the Company is imperative to the successful, efficient and economical operation of the Company. Members who are receiving or who are requesting service shall be deemed to have consented to the reasonable use by the Company of their real property (premises) for which service is requested or provided. The member is also deemed to consent to the repair, maintenance, replacement, and expansion of services to and for their real property.

Section 3. Property Interest of Members: Upon dissolution, after:

- a) all debts and liabilities of the Company shall have been paid,
- b) all capital furnished through patronage shall have been retired as provided in this Code of Regulations, and
- c) all membership fees shall have been repaid;

the remaining property and assets of the Company shall be distributed among the members in the proportion which the aggregate patronage of each member and former members bears to the total patronage of all such members and former members on the date of dissolution, unless otherwise provided by law.

Section 4. Non-liability for Debts of the Company: The private property of the members shall be exempt from execution or other liability for the debts of the Company, and no individual member shall be personally liable or responsible for any debts or liabilities of the Company.

Chapter III. Meetings of Members

Section 1. Annual Meetings: The annual meeting of the members shall be held at a time and place certain during the first three (3) months of each calendar year, at a date and place within the State of operation as selected by the Board, and shall be designated in the Notice of the Meeting, for the purpose of electing Directors to serve on the Board, 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 neither work a forfeiture or dissolution of the Company nor affect the validity of any corporate action taken by the Company.

Section 2. Special Meetings: Special meetings of the members may be called by resolution of the Board, or upon written request signed by any three Directors, by the President, or by not less than 100 members or ten percent (10%) 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 shall be held at any place within one of the counties served by the Company as designated by the Board and shall be specified in the notice of the Special Meeting.

Section 3. Notice of 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(s) for which the meeting is called, shall be delivered not less than fifteen (15) days nor more than fifty (50) days before the date of the meeting. Service shall be effectuated to each member, either personally or by mail, by and at the direction of the Secretary, or upon default in duty by the Secretary, by the person(s) calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as such address appears on the records of the Company, with postage thereon prepaid. The incidental or unintended 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. Postponement of a Meeting: In the event of inclement weather or the occurrence of a catastrophic event; or for other reason identified by the President; the President, Vice President, or the Board may postpone the meeting of the members. Notice of the adjourned meeting shall be given by the President in any media of general circulation or broadcast serving the area.

Section 5. Quorum: The members, present in-person, shall constitute a quorum. At all meetings of the members, the Secretary shall affix to the meeting minutes, or incorporate therein by reference, a list of those members who were present in-person.

Section 6. Credentials and Election Committee: The Board shall appoint a credentials and elections committee to establish or approve the manner of conducting member registration at member meetings and such other processes relating to meetings of members within guidelines to be established by the Board.

Section 7. Voting at Meetings: Each member shall be entitled to only one (1) vote upon each matter submitted at a meeting of the members. Voting by members other than members who are natural persons shall be allowed. No member shall be permitted to vote in writing, except as specified in the next paragraph of this Section, without actual attendance at the meeting at which the vote is taken,

and no voting by means of a proxy or other means other than actual attendance of the voting member shall be permitted.

The Board may, at its option, cause to be submitted by mail ballot any question to be voted at any meeting of the members, including but not limited to the election of Directors of the Board. In such event, the Secretary shall cause to be mailed to each member along with the notice of the meeting, the ballot on each question and a voting envelope. The ballot may be cast only in a sealed envelope, which is authenticated by the member's signature. A vote so cast shall be counted as if the member were present and voting in-person. Ballots cast by mail are to be used in determination of a quorum, but only with respect to actions voted upon in the mail ballot.

All questions, except those involving multiple choice issues or determinations, shall be decided by a simple majority vote of the members voting thereon in person or by mail except as otherwise provided by law, the Articles of Incorporation, and/or this Code of Regulations. Multiple choice issues or determinations shall be decided by a plurality vote.

Section 8. Order of Business at Meetings: 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 conducted under policies established by the Board.

Chapter IV. Directors

Section 1. General Powers: The business and affairs of the Company shall be managed by the Board, which shall consist of eleven (11) Directors (the "Directors"), which Board shall exercise all powers of the Company except such as are otherwise dictated by law, the Articles of Incorporation, and/or this Code of Regulations as being conferred upon or reserved to the members.

Section 2. Election and Tenure of Office: The Directors shall be elected by secret ballot at the annual meeting of the members, by and from the members, to serve until their successors shall have been elected and qualified. In odd numbered years, five (5) Directors shall be elected for a term of two (2) years and in even numbered years, six (6) Directors shall be elected for a term of two (2) years.

If an election of Directors shall not be held on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing Directors within a reasonable time thereafter.

Directors may be elected by a plurality vote of the members.

Section 3. Qualifications: No person shall be eligible to be elected or remain a Director of the Company who:

- a) is not a member and has not resided in the area served or to be served by the Company for more than ninety (90) days during the immediately preceding twelve (12) month period. However a person acting as a representative of a member not a natural person need not be a resident,

- b) is in any way employed by or financially interested in a competing enterprise or business engaged in selling telecommunications, communications, telephone, and/or information services or supplies, or constructing or maintaining telecommunications, communications, telephone, and information facilities, other than a business operating on a mutual nonprofit basis for the purpose of furthering rural telecommunications, communications, telephone, and information services,
- c) is an employee of the Company, or
- d) is closely related to an employee of the Company (such closeness of relationship being that which may be defined by the Board from time to time). The Board shall adopt a written policy, which will govern the application in practice of this Section to assure no employee will suffer unjust or unreasonable discrimination because of marital status.

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

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

Section 4. Nominations: The Board shall appoint, not less than thirty (30) or more than eighty (80) days before the date of a meeting at which Directors are to be elected, a committee on nominations consisting of not fewer than five (5) or more than eleven (11) members who shall be selected from different geographic areas so as to insure equitable representation. No member of the Board may serve on such committee.

The committee, keeping in mind the principle of geographical representation, shall prepare and post at the principal office of the Company, at least fifteen (15) days before the meeting, a list of nominations for the office of Director which shall include at least two (2) candidates for each Director to be elected.

Any fifteen (15) or more members acting together may make other nominations by petition not fewer than ten (10) days prior to the meeting, and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted.

The Secretary shall mail with the notice of the meeting or separately, but at least five (5) days before the date of the meeting, a statement of the number of Directors to be elected and the names and addresses of the candidates, specifying separately the nominations made by the committee and the nominations made by petition, if any.

The ballot to be used at the election shall list the names of the candidates for Director nominated by the committee and the names of the candidates nominated by petition, if any.

The presider at the meeting upon which voting for Directors is to take place shall call for additional nominations from the floor.

No member may nominate more than one candidate.

Section 5. Election of Directors: Contested elections of Directors shall be by a form of printed ballot. The ballot shall list the names of the candidates nominated by the nominating committee and by petition, if any. Any member desiring to vote for a candidate nominated from the floor at the meeting shall write in the name of such candidate beneath the names of the candidates nominated by the nominating committee and by petition.

Failure of an election for a given year shall allow the incumbent Directors whose Directorships would have been voted on to hold over only until the next member meeting at which a quorum is present.

Section 6. Removal and Resignations of Directors:

- a) A member may request the removal of any Board member for malfeasance, misfeasance, or nonfeasance of the duties and responsibilities of the position. Such charges shall be made in writing and shall specify the specific act or acts that allegedly give rise to the request. In addition, the request shall be supported by the signatures of at least ten percent (10%) of the members or 200 members, whichever is fewer and shall be directed to any officer of the Company.
- b) The Director against whom the request for removal is directed shall be notified in writing by the Secretary of the request no fewer than ten (10) days prior to the Board meeting at which the matter is to be considered. The requesting members and the Director against whom the request is directed, shall have the opportunity to present evidence at the Board meeting held to consider the request. The members and the affected Director may present evidence in person and/or with the assistance of Counsel. The Board shall be the sole judge of the rules governing such hearing and the evidence to be submitted in support of or against the request. Removal may only occur with the affirmative vote of two-thirds (2/3) of the full Board.
- c) The Board shall fill any vacancy created by such removal for the unexpired term of the Director thus removed.
- d) A Director may resign at any time by written notice delivered to the Board, the President, or the Secretary. A resignation is effective when the notice is delivered unless the notice specifies a future date. The pending vacancy may be filled before the effective date but the successor shall not take office until the effective date.

Section 7. Vacancies: Subject to the provisions of this Code of Regulations with respect to the filling of vacancies, a vacancy occurring on the Board shall be filled by the affirmative simple majority vote of the majority of the remaining Directors for the unexpired portion of the term.

Section 8. Compensation: Directors shall, as determined by resolution of the Board, receive a fixed sum for each day or portion thereof spent on Company business, such as attendance at meetings, conferences, and training programs, or performing committee assignments when authorized by the Board. If authorized by the Board, Directors may also be reimbursed for expenses actually and necessarily incurred in carrying out such Company business, or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses.

Chapter V. Meetings of Directors/the Board

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 simple 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 the Board may provide by resolution. Such regular monthly meetings may be held without separate notice as to that meeting other than an annual or other 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 (3) 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 Directors calling the meeting shall fix the time and place for holding the meeting.

Section 3. Telecommunications Conference: Regular meetings and special meetings may be conducted through the use of conference telephone or other communications equipment by means of which all persons participating in the meetings can communicate at least verbally with each other. Such participation will constitute attendance and presence in-person at the meeting of the persons so participating.

Section 4. Notice of Meetings: Written notice of the time, place (or telecommunications conference event), and purpose of any special meeting of the Board shall be delivered to each Director not fewer than five (5) days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the President or the Directors calling the meeting, prior to the meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail addressed to each Director at that Director's address as it appears on the records of the Company, with postage thereon prepaid. Sending a facsimile message or other electronic notification, such as by electronic mail, to a number or address that appears on the records of the Company shall constitute written notice for purposes of this Section.

Section 5. Quorum: A simple majority of the Board shall constitute a quorum, provided that if less than such a simple majority of the Directors is present at such meeting, a simple 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 simple majority of the Directors present and voting at a meeting at which a quorum is present shall be the act of the Board. Directors may not vote by proxy at regular or special Board meetings.

Section 6. Actions Taken by Unanimous Consent in Writing: Unless otherwise prohibited by law, the Board may act without a meeting and without a vote if unanimous consent of the Board is obtained in writing signed by each Director entitled to vote setting forth the action taken in detail.

Chapter VI. Officers

Section 1. Number and Titles: The officers of the Company 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, and may or may not be a Director.

Section 2. Election and Term of Office: The officers shall be elected by ballot, if there is a contest, and if not, by voice vote or any other method designated by the person presiding. They shall be elected annually by and from the Board, except the offices of Secretary and of Treasurer which may be held by the same person and he need not be a member of the Board, at the meeting of the Board held immediately after the annual meeting of the members. If such election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently as may be possible. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until that officer's successor shall have been elected and qualified. Except as otherwise provided in this Code of Regulations, the vacancy in any office shall be filled by the Board for the unexpired portion of the officer's term.

Section 3. Removal of Officers and Agents: Any officer or agent elected or appointed by the Board may be removed by the Board whenever, in the Board's judgment, the best interests of the Company may be served thereby. 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 and/or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against that officer or agent shall have the same opportunity.

Section 4. President: The President shall:

- a) be the principal executive officer of the Company, and unless otherwise determined by the Board, shall preside at all meetings of the members and the Board;
- b) sign, with the Secretary, any certificates of membership, the issue of which shall have been authorized by the Board or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, and/or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall expressly be delegated by the Board or this Code of Regulations to some other officer or agent of the Company, or shall be required by law to be otherwise signed or executed; and
- c) generally 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 the President's 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 the Vice President 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 one or more books provided for that purpose;

- b) ensuring that all notices are duly given in accordance with this Code of Regulations or as required by law;
- c) being custodian of the corporate records and the seal of the Company and affixing the seal of the Company to all certificates of membership prior to the issue thereof and to all documents, the execution of which on behalf of the Company under its seal is duly authorized in accordance with the provisions of this Code of Regulations;
- d) keeping a register of the names and mailing addresses of all members;
- e) signing, with the President, any certificates of membership, the issue of which shall have been duly authorized by the Board or the members;
- f) having general charge of the books of the Company;
- g) keeping on file at all times a complete copy of the Articles of Incorporation and Code of Regulations of the Company containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Company, forward a copy of the Code of Regulations and of all amendments thereto to each member as appropriate; and
- h) generally perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned to the Secretary by the Board.

If the Board authorizes an Assistant Secretary, the Secretary may delegate from time to time any or all of these duties in Section 6 of this Chapter to said Assistant Secretary.

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

- a) having charge and custody of all funds and securities of the Company;
- b) being responsible for the receipt of and issuance of receipts for all moneys due and payable to the Company and for the deposit of all such moneys in the name of the Company in such financial institutions as shall be selected in accordance with the provisions of the Code of Regulations; provided, however, that the Treasurer shall have authority, with approval of the Board, to delegate to the general manager the authority to appoint employees of the Company to actually carry out the duties set forth in this Section; provided that the Treasurer shall remain responsible for proper execution of those duties; and
- c) generally perform all 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 Company shall indemnify and hold the Treasurer harmless against any and all losses, claims and/or damages which may be asserted against the Treasurer, in his official capacity, unless such claim is a result of an act personally committed or omitted by the Treasurer resulting in a loss to the Company.

Section 8. Manager: The Board may appoint a manager who may be, but who shall not be required to be, a member of the Company. The manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in the manager. The manager may use the title “General Manager” or similar in carrying out his or her duties.

Section 9. Bonds: The Treasurer and any other officer, agent, or employee of the Company charged with the responsibility of the custody of any of the Company’s funds or property shall be bonded at the expense of the Company 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 Company to give bond, at the expense of the Company, in such amount and with such surety as it shall determine.

Section 10. Compensation: The powers, duties, and compensation of the officers, agents, and employees shall be fixed or approved by the Board, subject to Chapter IV, Section 8 of this Code of Regulations with respect to compensation of Directors.

Section 11. Reports: The officers of the Company shall submit, at each annual meeting of the members, reports covering the business of the Company for the previous year. Such reports shall set forth the condition of the Company at the close of the immediately preceding fiscal year.

Chapter VII. Indemnification of Officers, Board Members, Employees, and Agents

Section 1. Indemnification of Parties to Legal Proceedings:

- a) The Company may indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigation (other than an action by, or in the right of the Company) by reason of the fact that such person is or was a Director, officer, employee, or agent of the Company or who is or was serving at the request of the Company as a Director, officer, employee, or agent of another corporation, association, partnership, joint venture, trust, or other enterprise; against expenses, (including attorneys’ fees) adjustments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided such person acted in good faith and in a manner such person reasonably believed to be in, or at least not opposed to, the best interests of the Company, and with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful.
- b) The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon pleas of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or at least not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

Section 2. Indemnification of Parties to Actions by or in Right of the Company:

- a) The Company may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by, or in the right of, the Company to procure a judgment in its favor by reason of the fact that such person is or was a Director, officer, employee, or agent of the Company, or is or was serving at the request of the Company as a Director/board member, officer, employee, or agent of another association, corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith, and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Company.
- b) No indemnification shall be made 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 the duty of such person to the Company, unless, and only to the extent that the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

Section 3. Indemnification of Persons Successfully Defending: To the extent that a Director, officer, employee, or agent of the Company has been successful, on the merits or otherwise, in the defense of any action, suit, or proceeding referred to in Sections 1 and 2 of this Chapter, in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 4. Indemnification Determinations: Any indemnification under Sections 1, 2, or 3 of this Chapter (unless ordered by a court) shall be made by the Company only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee, and/or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 1, 2, or 3 of this Chapter and has not otherwise been compensated by insurance.

Such determination shall be made:

- a) By the Board by a simple majority vote of Directors who were not parties to such action, suit, or proceeding;
- b) If a quorum of the Board is not obtainable under the immediately preceding clause, or if obtainable, if a simple majority of Directors who were not parties to such action, suit, or proceedings so agrees with confirmation from independent legal counsel in a written opinion;
or
- c) By a simple majority vote of the members.

Section 5. Expenses Advanced: Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Company in advance of the final disposition of such action, suit, or proceeding, as authorized by the Board in the specific case, upon receipt of a firm commitment by or on behalf of the Director, officer, employee, or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Company as authorized in this Chapter.

Section 6. Rights of Persons Indemnified: The indemnification provided by this Chapter shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any codes of regulation, agreement, vote of members or disinterested Directors, or otherwise, both as to action in the person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, successors, assigns, and administrators of such a person.

Section 7. Insurance Coverage: The Company may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Company, or who is or was serving at the request of the Company as a Director/board member, officer, employee, or agent of another association, corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Company would otherwise have the power to indemnify such person against such liability under the provisions of this Chapter.

Chapter VIII. Non-Profit Operation

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

Section 2. Patronage Capital in Connection with Furnishing Telecommunications, Communications, Telephone, and Information Services: In the furnishing of telecommunications, communications, telephone, and information services, the Company's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Company. Purchasers of the Company's services at wholesale or otherwise for retail shall not be eligible for patronage credits with respect to such services. In order to induce patronage and to ensure that the Company will operate on a non-profit basis, the Company is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of telecommunications, communications, and information services in excess of operating costs and expenses properly chargeable against the furnishing of such services.

- a) All such amounts in excess of operating costs and expenses for telecommunications, communications, and information services at the moment of receipt by the Company are received with the understanding that they are furnished by the patrons as capital.

- b) The Company is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses derived from telecommunications, communications, telephone, and information services. The books and records of the Company shall be established and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by the patron for telecommunications, communications, telephone, and information is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Company shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to the patron's account. All such amounts credited to the capital account of any patron shall have the same status as though it had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Company corresponding amounts for capital.
- c) All non-operating margins except those derived from furnishing goods and services other than telecommunications, communications, and information services, shall, insofar as permitted by law, be used to offset any losses during the current or any prior fiscal year and, to the extent not needed for that purpose, either:
 - 1. Allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital to be allocated to the accounts of patrons in an equitable manner as approved by the Board or
 - 2. Used to establish and maintain a non-operating margin reserve not assignable to patrons prior to dissolution of the Company.
- d) If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Company will not be impaired thereby, the capital then credited to a patron's accounts may be retired in full or in part upon the death of that patron. All allocations and retirements of capital shall be at the discretion and direction of the Board as to kind, timing, method, and type of assignment and distribution.
- e) In the event of dissolution or liquidation of the Company, after all outstanding indebtedness of the Company 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.
- f) Capital credited to the account of each patron shall be assignable only on the books of the Company, 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 patrons' premises served by the Company, unless the Board, acting under policies of general application, shall authorize other types of assignments. Patrons at any time may assign their capital credits back to the Company. The Company is also authorized to negotiate capital credit settlement arrangements with bankrupt patrons.

- g) Notwithstanding any other provision of these Code of Regulations, the Board, at its discretion, shall have the power upon the death of any natural person who is a member/patron respectively, to retire the capital credited to that member upon such terms and conditions as the Board may determine acting under policies of general application, provided that such retirement shall not impair the financial condition of the Company. In such instance, the Board's determination of capital retirement shall be supplemented by an ability of a deceased member to have that member's then-current capital retired to any natural or legal person or entity who provides written evidence signed by the deceased member (including but not limited to a trust instrument, a will, and/or any other reasonably reliable document actually signed by the deceased member) expressing the member's desire to have said capital retired to someone else upon the member's death or dissolution.

By virtue of every member's agreement to this Code of Regulations, every member agrees that the Board's good faith determination of the deceased member's desire as set forth in the above-mentioned writing and instructs and empowers that that member's successors, heirs, and assigns are hereby subject to the Board's determination in that regard—made at the Board's sole and absolute discretion. See Chapter XII for greater detail.

- h) When the capital credits of any patron no longer receiving service from the Company comes to a total amount of less than a fixed sum determined by the Board, the same shall be retired in full with such retirements being made only when and at the same time that a general retirement to other patrons is made.
- i) 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 Company as furnished patronage capital and shall be treated in the same manner as furnished capital set out in this Section of this Code of Regulations.
- j) The patrons of the Company, by dealing with the Company, acknowledge that the terms and provisions of the Articles of Incorporation and Code of Regulations shall constitute and be a contract both between the Company and each patron, and further, between all of the patrons themselves individually. Both the Company and the patrons are bound by such contract, as fully as though each patron had individually signed separate instruments containing such terms and provisions.

This Chapter of the Code of Regulations shall be called to the attention of each patron of the Company by posting in a conspicuous place in the Company's office and by publication distributed by the Company to its patrons.

- k) The obligation of the Company to account for and make allocations of capital furnished by patrons as established in this Chapter shall apply only to the furnishings of retail services to end-user patrons.

Section 3. Patronage Capital in Connection with Furnishing Other Services: In the event that the Company should engage in the business of furnishing goods or services other than telecommunications, communications, and information services; all amounts received and receivable there from which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall, insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained at such time and in such order of priority as the Board shall determine.

Chapter IX. Disposition and Pledging of Property; Disposition and Distribution of Surplus Assets upon Dissolution

Section 1. Disposition and Pledging of Property:

- a) The Company may not sell, transfer or dispose of more than forty-nine percent (49%) of the Company's total assets; unless such sale, transfer or other disposition of the Company's assets is:
 - 1. Authorized at a meeting of members called for such purpose after written notice to the members and attended by at least two hundred (200) members or twenty-five percent (25%) of the existing members, whichever is the lesser, and
 - 2. Authorized by the secured holders of at least seventy-five percent (75%) of the current indebtedness of the Company, and
 - 3. Preceded by a notice of meeting at which such sale, mortgage, lease, or other disposition or encumbrance is to be voted on.
- b) Notwithstanding the foregoing, the Board shall have the power and authority:
 - 1. To borrow monies from any lawful source in such amount or amounts as the Board may from time to time determine are necessary and proper to pursue the Company's business;
 - 2. To mortgage, pledge or otherwise encumber the Company's assets;
 - 3. With respect to other cooperative organizations only, to sell and lease back all of the Company's property or assets; and
 - 4. To sell or otherwise dispose of investments deemed to be in the best interest of the Company provided such sale is done in a commercially reasonable manner.
- c) In addition to the foregoing paragraphs of this Section and any other applicable provisions of the Ohio Revised Code and/or this Code of Regulations; no sale, lease, lease-sale, exchange, transfer, or other disposition within a single calendar year, of physical plant of the Company with net value in excess of forty-nine percent (49%) of the Company's total assets, based upon the most recent audit of the Company, shall be authorized except in conformity with the following:

1. If the Board looks with favor upon any proposal for such sale, lease, lease-sale, exchange, transfer, or other disposition, it shall first cause three (3) independent nonaffiliated appraisers, expert in such matters, to render their individual opinions as to the value of the Company with respect to such a sale, lease, lease-sale, exchange, transfer, or other disposition, and as to any other terms and conditions which should be considered.

A resident judge for the Ohio appellate judicial district in which the Company's headquarters are located shall designate the three (3) independent appraisers. If such judge refuses to make such designations, such designations shall be made by the Board.

2. If the Board, after receiving such appraisals (and other terms and conditions which are submitted if any), determines that the proposals should be submitted for consideration by members, it shall first give, by notice in appropriate publications, other cooperatively organized entities an opportunity to submit competing proposals. Any interested cooperatively organized entity shall be sent copies of any proposals, which the Company has already received, and copies of the respective reports of the three (3) appraisers, subject to compliance with any applicable non-disclosure agreements. Such other interested cooperatively organized entities shall be given not fewer than thirty (30) days within which to submit competing proposals, and the actual minimum period within which proposals are to be submitted shall be stated in the written notice given to them.
3. If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members not fewer than 60 days before noticing a special meeting of the members thereon or, if such be the case, the next annual member meeting, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof and action thereon, which meeting shall be held not less than ten (10) nor more than thirty (30) days after giving the notice thereof to the members: provided that consideration and action by the members may be given at the next annual meeting if the Board so determines and if such annual meeting is held not fewer than ten (10) nor more than thirty (30) days after the giving of notice of such meeting.
4. Any fifty (50) or more members, by so petitioning the Board not fewer than thirty (30) days prior to the date of such special or annual meeting, may cause the Company, with the cost to be borne by the Company, to mail to all members any opposing or alternative positions which they may have to the proposals that have been submitted or any recommendations that the Board has made.

The provisions of a), b), and c) above shall not apply to a sale, lease, lease-sale, exchange, transfer, or other disposition to one or more telephone, cable TV or electric cooperatives if the substantive or actual legal effect thereof is to merge or consolidate with such other one or more telephone, cable TV, or electric cooperatives.

The provisions of a), b), and c) above shall not apply to a sale, lease, lease-sale, exchange, transfer or other disposition of any intangible investment property consisting of equity or debt securities in publicly traded entities or in any intangible investment property initially acquired by direct purchase and consisting of equity or debt securities in any corporate entity, limited liability company, partnership or limited liability partnership.

Section 2. Dissolution: The Company may be dissolved by filing, as hereinafter provided, a certificate which shall be entitled and endorsed "Certificate of Dissolution of The Ottoville Mutual Telephone Company," and shall state:

- a) The name of the Company, and if such Company is a corporation resulting from a consolidation as herein provided, the names of all the original corporations or cooperatives.
- b) The date of filing of Certificate of Incorporation, and if such Company is a Company resulting from a consolidation as herein provided, the dates on which the Certificates of Incorporation of the original corporations were filed.
- c) That the Company elects to dissolve.
- d) The name and post office mailing address of each of its Directors, and the name, title and post office address of each of its officers.

The Certificate shall be subscribed and acknowledged in the same manner as an original Certificate of Incorporation by the President or a Vice President, and the Secretary or an Assistant Secretary, who shall make and annex an affidavit, stating that they have been authorized to execute and file such certificate by the votes cast in person of at least two-hundred (200) members or twenty-five percent (25%) of the existing members, whichever is lesser, voting without proxies and that the dissolution has been authorized by at least seventy-five percent (75%) of the holders of the indebtedness of the Company.

A Certificate of Dissolution and a certified copy or copies thereof shall be filed in the same place as the original Certificate of Incorporation and thereupon the Company shall be deemed to be dissolved.

The Company shall continue for the purpose of paying, satisfying, and discharging any existing liabilities or obligations, and collecting or liquidating its assets, and doing all other acts required to adjust and wind up its business and affairs, and may sue and be sued in its corporate name.

Section 3. Distribution of Surplus Assets on Sale or Dissolution: Any assets remaining after all debts and liabilities of the Company have been paid shall be disposed of pursuant to the provisions of Chapter II, Section 3 above; provided, however, that if in the judgment of the Board the amount of such surplus relatively is too small to justify the expense of making such widespread distribution, the Board may, in lieu thereof, donate or provide for the donation of such surplus to one or more non-profit charitable or educational organizations that are exempt from federal income taxation.

Chapter X. Seal

The Company may have a corporate seal, as determined by the Board.

Any corporate seal of the Company shall be in the form of a circle and shall have inscribed thereon the name of the Company and the words “Corporate Seal, Ohio”.

Chapter XI. Financial Transactions

Section 1. Contracts: Except as otherwise provided in this Code of Regulations, 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 Company, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc.: All checks, drafts or other orders for payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Company shall be signed by such officer or officers, agent or agents, employee or employees of the Company and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. Deposits: All funds of the Company shall be deposited from time to time to the credit of the Company in such institution or institutions as the Board may select. The Board may authorize the manager to select the institution or institutions.

Section 4. Fiscal Year: The fiscal year of the corporation shall begin on the first day of January of each calendar year and shall end on the thirty-first day of December of each calendar year.

Chapter XII. Funds Due to Members

Section 1. Payment of Funds Due to Members Upon Termination of Memberships and/or Death:

Upon termination of membership for any reason, the Company shall repay to the member (or member’s landlord if said landlord secured membership on behalf of the tenant) and/or the member’s estate, heirs, and/or beneficiaries, the amount of the membership fee paid as well as any deposits, advances, and/or similar that is required by law to be returned to the member.

In the Board’s sole and absolute discretion, the Board may establish a “payable on death” designation process for which members could identify the payee of amounts owed to that member upon that member’s death. Such payable on death designation, if established by the Board and utilized by a member shall be honored by the Company even if it conflicts with any other document, including but not limited to a will and/or trust instrument.

Any amounts to be paid pursuant to this Section 1 shall be paid in the same sequence for which membership was terminated. Prior to the payment of any amount to the member under this Section 1, the Company shall deduct from the amount of such payment the amount of any debts owing from the member to the Company.

Membership in the Company includes an explicit testamentary/trust instruction to the Board that, upon the death of a member, the Board pay any amount due to the member to the person or persons identified in the member's will or trust upon the presentation to the Board of the member's original last will and testament or trust instrument, provided that any capital credit retirement shall not impair the financial condition of the Company. The Board may make payment per the terms of the will or trust instrument presented without instruction and/or authority from any probate or other court. The Board and/or its agents, employees, and/or assignees and the Company shall be indemnified and held completely harmless by the person or entity receiving the funds, with the person or entity receiving the funds bearing all claims for the funds from anyone/everyone else.

Similarly, membership in the Company includes an explicit testamentary/trust instruction to the Board that, upon the death of a member, the Board pay any amount due to the member to the person or persons who might inherit under Ohio intestate law, if no will or trust of the deceased member is presented to the Company, provided that any capital credit retirement shall not impair the financial condition of the Company. The Board may make payment to the person claiming to have a right to inherit from the deceased member under Ohio intestate law, without instruction and/or authority from any probate or other court. The Board and/or its agents, employees, and/or assignees and the Company shall be indemnified and held completely harmless by the person or entity receiving the funds, with the person or entity receiving the funds bearing all claims for the funds from anyone/everyone else.

The Company retains the right to pay any of the amounts that may be distributed through this Section 1 through a single payment, even if more than one (1) person claims a right to the funds under/through this Section 1.

Any refunds of capital credits potentially or actually payable to a member are personal to the member and are not transferable or able to be encumbered under the law until disbursed after the death of the member per the immediately aforementioned terms and conditions.

Section 2. Disposition of Funds of Members Whose Address/Location Cannot be Ascertained:

The members, by acceptance of this Code of Regulations, empower and instruct the Board (as Director, as agent, as executor, and/or as administrator as may be necessary to grant this power) to place any and all amounts that the Board has determined to be payable to the former member whose member's address cannot be ascertained by the Board or manager, into a scholarship fund and/or any other fund that has a philanthropic goal as determined by the Board in the Board's sole and absolute discretion.

Said distribution of funds made to any such scholarship fund or other fund having a philanthropic goal as determined by the Board shall only be allowed upon the Board having made a bona fide attempt to locate said member with the Board utilizing its good faith in this endeavor, as defined in the sole and absolute discretion of the Board.

Any said philanthropic fund for purposes of this Chapter may be established by the Board itself subject to the Board's good faith administration of the same, including but not limited to a scholarship fund.

Upon payment of any funds into the aforementioned scholarship or other philanthropic fund, said funds shall no longer be considered property of the (former) member and shall be governed by the rules related to the fund within which the amounts were paid.

Chapter XIII. Miscellaneous

Section 1. Membership in Other Organizations: The Company may become a member or purchase stock in other profit or non-profit organizations, associations, partnerships, or joint ventures when the Board finds that the general or long-term interest of the Company 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 this Code of Regulations. 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 who/that attends a meeting for the express purpose of objecting to the transaction of any business on the grounds 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 this Code of Regulations, as the Board may deem advisable for the management of the business affairs of the Company.

Section 4. Accounting System and Reports: The Board shall cause to be established and maintained a complete accounting system of the Company's financial operations and condition. The Board shall also, after the close of the fiscal year, cause to be made a full and complete review or audit of accounts, books, and financial condition of the Company as of the end of the fiscal year.

Section 5. Equal Opportunity: The Company shall be an equal opportunity employer.

Chapter XIV. Amendments

This Code of Regulations may be altered, amended or repealed at any regular or special meeting of the members, provided written notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal; provided, however, that the provisions of Chapter IX relating to a major disposition of the Company's property or relating to the dissolution of the Company, may be altered, amended, or repealed on the affirmative vote at a meeting attended by at least two hundred (200) members or twenty-five percent (25%) of the existing members, whichever is fewer.

THIS CODE OF REGULATIONS WAS PROPERLY ADOPTED AT A MEETING OF THE MEMBERS OF THE OTTOVILLE MUTUAL TELEPHONE COMPANY THAT WAS HELD ON FEBRUARY 4, 2015.

Attest:

Attest:

Printed Name: Ralph Brinkman
Title: President

Printed Name: Howard Odenweller
Title: Secretary