

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
SPRINGVILLE COOPERATIVE TELEPHONE ASSOCIATION

**TO THE SECRETARY OF STATE
OF THE STATE OF IOWA:**

Pursuant to Iowa Code Chapter 499, the members of the Springville Cooperative Telephone Association hereby adopt the following Amended and Restated Articles of Incorporation:

ARTICLE I

The name of this association shall be Springville Cooperative Telephone Association (the "Cooperative").

ARTICLE II

The principal place of business of the Cooperative shall be in the Town of Springville, in the County of Linn, State of Iowa.

ARTICLE III

The objects and purposes for which the Cooperative is formed and the general nature of the business to be transacted by it shall be to erect, construct, build, own, acquire, operate, equip and maintain telecommunications or advanced communications networks, and to furnish and supply such communications services, including telecommunications, Internet access, cable or digital television and/or other similar and related services to all its members and to such others as the Board of Directors of the Cooperative may deem proper, all as provided and contemplated under the provisions of Iowa Code Chapter 499 and any applicable amendments or successive laws of the State of Iowa (collectively, the "Act") and as regulated by the Bylaws of the Cooperative.

ARTICLE IV

The Cooperative shall have the following powers:

1. To acquire by purchase or otherwise, to sell, lease, exchange, convey, hold and exercise all privileges of ownership, over lines, exchanges, stations and such other personal property and such real property as may be necessary or convenient for the conduct and operation of the business of the Cooperative, or incidental thereto.
2. To borrow money without limitation as to amount or corporate indebtedness or liability; to give a lien on any of its property as security therefor in any manner permitted by law; and to make advance payments and advances to members.
3. To act as the agent or representative of any member or members in any of the activities mentioned in Article III hereof.

4. To draw, make, accept, endorse, guarantee, execute and issue promissory notes, bills of exchange, drafts, warrants, certificates, and all kinds of obligations and negotiable or transferable instruments for any purpose that is deemed to further the objects for which the Cooperative is formed and to give a lien on any of its property as security therefor.

5. To purchase or otherwise acquire and grant easements in real property; to acquire, own and develop interests in patents, trademarks, copyrights and businesses connected with or incidental to the business of the Cooperative, and to sell or lease same; to purchase or otherwise acquire and sell bonds, stocks, stocks in the Cooperative, debentures, mortgages, notes, certificates and other securities and shall have such powers and privileges for such purposes as is provided by law for such associations.

6. To acquire by purchase or otherwise all or any part of the assets, business and good will of any other person, firm, corporation or other such organization and to hold and dispose of same.

7. To maintain and operate one or more business establishments for the conduct of any of the businesses or enterprises aforesaid and to engage in and carry on any and every business or activity of whatever kind or nature which is now or hereafter may come to be commonly or frequently carried on in connection with any business of the kind mentioned in this Article.

8. To have and exercise, in addition to the foregoing, all powers, privileges and rights conferred on cooperative associations by the laws of this State and all powers and rights incidental or conducive to carrying out the purposes and objects for which the Cooperative is formed, except such as are inconsistent with the express provisions of the Act under which the Cooperative is incorporated; but the enumeration of the foregoing powers shall not be held to limit or restrict in any manner the general powers which may by law be possessed by the Cooperative, all of which are hereby expressly claimed.

ARTICLE V

The Cooperative shall have perpetual existence, subject to the right of the members to dissolve the Cooperative as provided in the Act.

ARTICLE VI

The affairs of the Cooperative shall be managed by and controlled by a board of seven (7) directors, who shall be elected from the voting members of the Cooperative at the Cooperative's annual meeting of its stockholders. At the first annual meeting of the stockholders, two (2) directors shall be elected for a term of one year, two (2) directors shall be elected for a term of two years and three (3) directors shall be elected for a term of three years. Thereafter directors shall be elected for a term of three years and each director shall hold office until his or her successor shall have been elected and qualified. No person other than a voting member of the Cooperative shall be eligible for the office of director. Whenever a director ceases to qualify as a voting member, as hereinafter defined, he or she shall cease to be a director and the vacancy

thereby caused, or caused in any other manner, shall be filled by appointment by the remaining directors and such appointee shall act for the balance of the unexpired term of the director whom he or she replaces. Any director may be removed for cause by the voting members of the Cooperative at any annual meeting of the Cooperative or at any special meeting, upon proper notice to the voting members, called for that purpose.

If a director is absent from two (2) consecutive meetings of the Board of Directors, the other directors shall have the right to remove the absent director at which time said director shall cease to be a director and the vacancy shall be filled by appointment by the remaining directors. The newly appointed director shall act for the balance of the unexpired term of the removed director.

ARTICLE VII

The membership of the Cooperative shall be comprised of all persons, whose application for membership shall be accepted by the Board of Directors. Membership shall be limited to such persons: (1) who are eligible for membership as provided in Section 499.13 of the Act; and (2) purchase, according to the records of the Cooperative, one share of the common stock of the Cooperative. Upon approval of the applicant by the Board of Directors, such applicant shall be issued a Certificate of Membership by the president and secretary of the Cooperative, which such certificate shall not be transferable but shall be surrendered to the Cooperative upon the termination of the membership; such membership certificate shall or may be revoked by the Board of Directors when the member has ceased to be eligible for membership or in the event the member shall fail to observe the rules and regulations of the Cooperative or shall fail to recognize and perform any contractual obligations to the Cooperative or upon the action of the membership of the Cooperative cancelling such membership; and all membership certificates shall become void upon the death of the person to whom the same shall be issued. Any willful violation of the within Articles of Incorporation or of the Bylaws of the Cooperative or of any rules adopted and laid down by the membership or the Board of Directors for the government and management of the affairs of the same shall subject a member to expulsion, provided, however, any member so charged with the willful violation of such Articles, Bylaws or rules will be notified of any complaint which may be lodged against him or her asking for his or her expulsion by Restricted Certified Mail at least ten days prior to the date upon which the action for expulsion shall come before the membership or the Board of Directors and he or she shall thereupon be afforded a hearing upon any charges of willful violation, which may be lodged against him or her.

In the event of the voluntary withdrawal of any member, his or her membership shall be cancelled and upon the death or expulsion of any member, the membership of such member shall likewise be cancelled; but such cancellation growing out of such voluntary withdrawal, death or expulsion shall in no case impair, abrogate or limit any obligations of such deceased or expelled or former member to the Cooperative.

ARTICLE VIII

The Board of Directors shall annually dispose of the earnings of the Cooperative in excess of the operating expenses thereof, as provided in Section 499.30 of the Act.

With respect to the allocation of net earnings to the members' accounts, as provided in paragraph 5 of Section 499.30 of the Act, if different services are provided by the Cooperative, separate allocations of net earnings shall be made to separate accounts of each member based on the net earnings of each separate service provided by the Cooperative and that member's business with each separate service. These separate allocations shall be made in a nondiscriminatory manner adopted by the Board of Directors and consistent with the laws of the State of Iowa.

ARTICLE IX

The authorized capital stock of the Cooperative shall consist of 10,000 shares of common voting stock of a par value of \$20.00 per share. Each member shall be limited to ownership of one share of voting common stock and shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. Voting shall be in person, except where the Board of Directors has authorized voting by mail ballot. In those cases where voting by mail ballot is authorized, the Board of Directors shall, in connection with the notice of the meeting, identify the specific issue or issues for which voting by mail ballot is authorized, including a form of approved mail ballot. There shall be no voting by proxy or under power of attorney at any annual or special meeting of the Cooperative.

The common voting stock of the Cooperative shall be purchased, owned and held by members only in accordance with such conditions and restrictions as may be uniformly prescribed by the Cooperative or as provided by statute, these Articles or the Cooperative's Bylaws. Upon a finding of the Board of Directors of the Cooperative that any voting stock of the Cooperative is held by any person not eligible for membership, or who has removed from the service area of the Cooperative, or has failed to use the services of the Cooperative for a period of one year, or if a members membership is otherwise cancelled, the Board of Directors shall have the power to declare that such holder of common voting stock shall have no rights or privileges growing out of this ownership of such common stock, and in fact shall have the right to cancel said shareholders stock certificate on the books of the Cooperative placing a deposit for said stock certificate at its par value of \$20.00 into the Cooperative trust fund where it can be claimed by the cancelled shareholder for a period of ten years, or if not claimed, deemed abandoned under Iowa Code Section 556.5, following which the Cooperative may retain such amount in a reversion fund pursuant to Section 499.30A of the Act or deliver such amount to the treasurer of state for disposition as abandoned property pursuant to Iowa Code Section 556.5..

The common voting stock of the Cooperative shall be transferable only on the books and records of the Cooperative and in accordance with the within Articles and only to persons eligible to hold the same as defined herein and any purported transfer or assignment of common stock to any person ineligible to hold the same in accordance with these Articles shall confer no

rights or privileges on account of such sale or transfer to the purchaser or transferee unless the consent of the Board of Directors of the Cooperative shall have been first secured.

The Cooperative shall have a lien upon all of its stock for all contractual obligations or indebtedness of the stockholders to the Cooperative.

ARTICLE X

No stock shall be issued until the same shall have been paid for in money or money's worth; provided, however, that when stock is to issue for anything other than money the issuance of such stock shall be expressly subject to the approval of the Board of Directors.

ARTICLE XI

The within Articles of Incorporation may be amended, altered, or repealed at any annual meeting or at any special meeting of the membership of the Cooperative called for that purpose by affirmative vote of three-fourths of all votes cast at such meeting, and if it is proposed to amend, alter or repeal the same at an annual meeting, such proposal must be filed with such secretary in order to afford the secretary sufficient time to apprise the membership of the Cooperative of the filing of such proposal with him or her at least ten days prior to the annual meeting. If it is proposed to amend, alter or repeal the within Articles at a special meeting to be called for such purpose the same shall be filed with the secretary in such time as shall afford the secretary sufficient time to apprise the membership of the filing of such proposal by notice in writing by regular mail at least ten days prior to the time for holding the special meeting to be called for the purpose of so amending, altering or repealing the within Articles.

ARTICLE XII

The Annual Meeting of the Cooperative shall be held sometime in the month of April of each year, at such place in the Town of Springville, Linn County, Iowa, as may be provided by the Board of Directors for the purpose of holding the same, and the Board of Directors shall provide such notice of the time and place of holding such annual meeting as required by Section 499.27 of the Act. Special meetings of the voting members of the Cooperative may be called by a majority vote of the Board of Directors and shall be called by the president or secretary at the request of 20% of the voting members of the Cooperative upon not less than ten days notice in writing to each voting member, mailed to his or her last known mailing address, by regular mail, and to such mailing address as shall appear upon the books and records of the Cooperative.

Unless otherwise required by law, the act of a majority of the voting members present at a meeting (and/or voting by mail ballot, if voting by mail ballot is authorized) shall be the act of the voting members.

ARTICLE XIII

The Annual Meeting of the Board of Directors of the Cooperative shall be held immediately upon the adjournment of the Annual Meeting of the membership. At such meeting

the Board of Directors shall select a president, vice president, and secretary-treasurer. The Office of the secretary-treasurer may be held by the same person. The president and vice president shall be members of the Board of Directors. The secretary-treasurer may be elected from the Board of Directors, or may be appointed from outside the Board of Directors.

ARTICLE XIV

The private property of the stockholders and members of the Cooperative shall be exempt from execution for the debts of the Cooperative.

ARTICLE XV

The Board of Directors shall have power to adopt Bylaws to govern the officers and affairs of the Cooperative in the conduct of its business provided such Bylaws shall not be in conflict with the Articles of Incorporation.

ARTICLE XVI

The sale, lease, exchange or other disposition of a substantial part of the property or assets of the Cooperative shall be accomplished in the following manner:

The Board of Directors, by resolution adopted by a majority vote of all members of the Board, shall approve a plan of sale which shall set forth the name of the entity to which the assets will be transferred and the terms and conditions of the proposed transfer.

The Board of Directors shall, by motion or resolution, direct that the plan be submitted to a vote at a meeting of members, which may be either annual or special meeting. Written notice shall be given not less than twenty (20) days to the meeting, either personally or by mail to each member and shareholder of record. The notice shall state the time, place and purpose of the meeting and a summary of the plan shall be included or enclosed with the notice.

At the meeting, a ballot of the members who are entitled to vote shall be taken on the proposed plan. The plan shall be approved if two-thirds of the members present (and/or voting by mail ballot, if voting by mail ballot is authorized) affirmatively vote in favor of the plan.

ARTICLE XVII

A director or officer of the Cooperative shall not be personally liable to the Cooperative or its members for a claim based upon an act or omission of the person performed in the discharge of the person's duties, except for liability (a) for any breach of the director's duty of loyalty to the Cooperative or its members (2) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or (c) for any transaction from which the person derived an improper personal benefit. No amendment, modification or repeal of this Article shall apply to or have any effect on the liability or alleged liability for or with respect to any acts or omissions occurring prior to the time of such amendment, modification or repeal.

The Cooperative shall indemnify any person who serves or who has served at any time as a director or officer of the Cooperative and each director or officer of the Cooperative who serves or who has served, at the request of the Cooperative, as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise, or employee benefit plan to the fullest extent possible against expenses, including attorneys' fees, judgments, fines, settlements, and reasonable expenses, actually incurred by such person relating to his or her conduct as a director or officer of this Cooperative, or as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, except that the mandatory indemnification required by this section shall not apply (a) to a breach of the person's duty of loyalty to the Cooperative or its members, (b) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or (c) for any transaction from which the person derived an improper personal benefit. Any amendment, repeal or modification of this section shall not adversely affect any right or protection with respect to any act or omission occurring prior to the time of such amendment, repeal or modification.

No indemnification under the previous paragraph shall be made by the Cooperative unless authorized in the specific case after a determination has been made that the indemnification of the person is permissible in the circumstances because person has met the standard of conduct set forth in the previous paragraph. Such determination shall be made:

- a. By the Board of Directors, by a majority vote of a quorum consisting of directors not at the time parties to the proceeding;
- b. By special legal counsel selected by the Board of Directors by vote set forth in subparagraph a. of this paragraph, or if the requisite quorum of the full board cannot be obtained, by a majority vote of the full board, in which directors who are parties to the proceeding may participate; or
- c. By the members.

Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of expenses shall be made in the manner specified in paragraph h. of this paragraph for the selection of such counsel.

Reasonable expenses incurred by a director or officer who is a party to a proceeding may be paid or reimbursed by the Cooperative in advance of the final disposition of such proceeding upon receipt by the Cooperative of:

- a. A written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the Cooperative;

b. A written undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she has not met such standard of conduct; and

c. After determination that the facts then known to those making the determination would not preclude indemnification.

The undertaking under this paragraph shall be an unlimited general obligation of the director or officer but need not be secured and may be accepted without reference to financial ability to make repayment. Determinations and authorizations of payments under this paragraph shall be made in the manner specified in the previous paragraph.

The Cooperative shall pay or reimburse expenses incurred by a director or officer in connection with the director's or officer's appearance as a witness in a proceeding involving the Cooperative or directors of the Cooperative at a time when the director or officer has not been made a named defendant or respondent in the proceeding.

The Cooperative shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Cooperative, and who, while a director, officer, employee or agent of the Cooperative, is or was serving at the request of the Cooperative as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise or employee benefit plan, against any liability asserted against the person and incurred by the person in any such capacity or arising out of the person's status as such, whether or not the Cooperative would have the power to indemnify the person against such liability under the provisions of this paragraph.

Any indemnification of, or advance of expenses, to a director or officer in accordance with this Article, if arising out of a proceeding by or in behalf of the Cooperative, shall be reported in writing to the members with or before the notice of the next shareholders' meeting.

ARTICLE XVIII

If the Cooperative is dissolved and liquidated, such dissolution and liquidation shall be accomplished in the manner set forth in Sections 499.47 and 499.48 of the Act.

CERTIFICATE OF ADOPTION

1. The foregoing Amended and Restated Articles of Incorporation were duly adopted by the members of the Cooperative and supersede the prior Articles of Incorporation of the Cooperative and all amendments to them.

2. The foregoing amended and Restated Articles of Incorporation were adopted by the Board of Directors and duly approved by the members in accordance with Iowa Code Chapter 499, with the approval of the members of the Cooperative having been obtained at a special or annual meeting of the members duly called and held on the date written below.

SPRINGVILLE COOPERATIVE TELEPHONE ASSOCIATION

By: _____
_____, President

Date: _____