

**ARTICLES OF INCORPORATION  
OF  
VALLEY TELECOMMUNICATIONS COOPERATIVE ASSOCIATION, INC.**

The following restated Articles of Incorporation of the Valley Telecommunications Cooperative Association, Inc. shall supersede the existing articles and all amendments.

**I - NAME**

The name of this cooperative association shall be VALLEY TELECOMMUNICATIONS COOPERATIVE ASSOCIATION, INC.

**II - PURPOSES**

The purpose for which this organization is formed is to furnish, improve and expand communication service on a cooperative basis.

- (a) To borrow money, to make and issue bonds, notes and other evidences of indebtedness, secured or unsecured, for monies borrowed or in payment for property acquired, or for any of the objects or purposes of the cooperative, and to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed of any of the property, rights, privileges or permits of the cooperative, wheresoever situated, acquired or to be acquired, when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the Members of the cooperative;
- (b) To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights-of-way and easements necessary, and exercise all privileges of ownership, over such real or personal property, as may be necessary or convenient for the conduct and operation of the business of the association, or incidental thereto, when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the Members of the cooperative;
- (c) To draw, make, accept, indorse, 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 necessary to further the objects for which this association is formed; and to give a lien on any of its property as security therefore when authorized, and upon such terms and

conditions as may be determined by the Board of Directors without the vote or consent of the Members of the cooperative;

- (d) To acquire, own and develop any interest in patents, trademarks, and copyrights connected with or incidental to the business of the association, when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the Members of the cooperative;
- (e) To cooperative with other similar associations in creating central, regional, or national agencies, for any of the purposes for which this association is formed, and to become a member or stockholder of such agencies as now are or hereafter may be in existence, when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the Members of the cooperative;
- (f) To have and exercise, in addition to the foregoing, all powers, privileges, and rights conferred on ordinary corporations and cooperative associations by the statutes of this State, and especially SDCL Chapters 47-15 through 47-20 inclusive, and laws amendatory thereto, and all powers and rights incidental or conducive to carrying out the purposes for which this association is formed; 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 this association, all of which are hereby expressly claimed;
- (g) To organize and maintain communication service by means of wired circuits and otherwise, which shall include all communications, facilities, or systems used in the rendition of said service.

### **III – PRINCIPAL OFFICE**

The association shall have its principal place of business in the City of Herreid, County of Campbell, State of South Dakota:

### **IV – AREA OF COVERAGE**

The place from which communication facilities are to be constructed, or intended to be constructed, is Herreid, Campbell County, South Dakota, and the Cooperative shall conduct business in such places and counties within and without the state of South Dakota in which said Cooperative is authorized to operate, as may be determined from time to time by the Board of Directors of said Cooperative.

### **V - EXISTENCE**

The term for which this association shall exist is perpetual.

## **VI - DIRECTORS**

- (a) The number of directors of this association shall be not less than five nor more than thirteen and shall be elected for staggered terms.
- (b) Directors shall be elected by ballot by and from the members of the Association in such manner and for such terms as the by-laws may prescribe.
- (c) No person shall be eligible to become or remain a director of the Association who is not a member of the Association and is not presently residing in the area served or to be served by the Association or is in any way employed by or financially interested in the Association or in a competing enterprise or a business engaged in selling communication service or supplies or constructing or maintaining communication facilities. Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions the Board of Directors 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 of Directors.
- (d) A director of this Cooperative shall not be personally liable to the Cooperative or its members for monetary damages for breach of a fiduciary duty as a director to the fullest extent permitted by South Dakota law governing this cooperative, as the same exists or may hereafter be amended, except for a director's liability for:
  - (1) Any breach of the director's duty of loyalty to the cooperative or its members;
  - (2) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
  - (3) Any violation of Section 47-17-7 of the South Dakota Codified Laws; or
  - (4) Any transaction from which the director derived an improper personal benefit.

## **VII - MEMBERSHIP**

Section 1. This Association shall be a membership organization without capital stock. Membership shall be obtained and held only by those who are patrons of the Association.

Section 2. No person shall hold more than one non-transferable membership in the Association. Each member shall have only one vote on each issue. The Association shall have a lien on all refundable patronage capital credits for indebtedness due by a member or former member. Termination of membership shall not release a member or his estate from any debts due the Association

Section 3. At the discretion of the Board of Directors, the Association shall have the right to recall, exchange, or redeem any and all outstanding patronage capital at any time.

Section 4. Upon dissolution, the assets of the Association shall be applied as follows: (1) to pay all debts and liabilities of the Association; (2) to retire all capital furnished through patronage, if any remains outstanding; (3) to distribute the remaining property and assets among the members and former members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members.