

ARTICLE II

THE PURPOSE

Section 2.01

The purpose of the corporation will be that of a diversified not-for-profit organization which shall exist to provide the infrastructure for electronic access to local, state, and global information by establishing and maintaining a rural area network; offer electronic services for the educational, cultural and economic advancement of the communities within Clinton County; and provide equal access to electronic information for all citizens, utilizing a variety of resources - human, economic, and technical.

Section 2.02

Said corporation/organization is organized exclusively for charitable, religious, educational and scientific purposes, including, for such purposes, the making of distributions to organizations under Section 501(c) (3) of the Internal Revenue Code (or corresponding section of any future Federal tax code.)

ARTICLE III

OFFICES AND FISCAL YEAR

Section 3.01

Registered Office. The registered office of the corporation in the Commonwealth of Pennsylvania shall be at 18 E. Main Street, Lock Haven, Clinton County, Pennsylvania until otherwise established by a vote of a majority of the Board of Directors in office (the Board), and a statement of such change is filed in the Department of State; or until changed by an appropriate amendment of the Articles of Incorporation.

Section 3.02

Other Offices. The corporation may also have offices at such other places within or without the United States of America as the Board may from time-to-time appoint or the business of the corporation requires.

Section 3.03

Fiscal Year. The fiscal year of the corporation shall be July 1 to June 30.

ARTICLE IV

MEMBERSHIP

Section 4.01

Membership in the corporation shall consist of the following three categories:

- a. Registered User. Any person eighteen years or older, business, or organization who resides within or outside Clinton county. Membership within the corporation will be based on classification (e.g. classified as either resident, business, organization, or other) and fees will be assessed accordingly. A Registered User will have complete access to all of the public information sites, data bases, and bulletin boards that comprise the corporation. In addition, Registered Users will have full Internet access.
- b. Guest. Any person, business, or organization, who lives within or outside Clinton County and who has been approved for a guest membership. This can be granted in lieu of payment for product or service (barter) or if the guest has been deemed unable to pay and in need of membership. Staff members and directors of KCnet are also considered guests and receive all benefits of a registered user.
- c. Trial member. Any person, business, or organization who lives within or outside Clinton County who does not wish to sign up to become a registered member. These individuals may obtain a Trial account for a limited period of time. At the end of the trial period not to exceed two weeks, the Trial Member must become a Registered User or be deleted from the system.

Section 4.02

System Operators. Any person who serves as a System Operator, Programmer, System Administrator, etc. to the corporation. This membership is only granted to members of the governing Board and individuals who work with the computers and programs which enable the corporation to operate. System membership will be given to those individuals for the duration of their responsibility or tenure. System membership will be password controlled, allow the individuals to access all public files and allow access to restricted system files.

ARTICLE V

BOARD OF DIRECTORS

Section 5.01

The governing body of the corporation shall consist of a Board of Directors who hold membership in the corporation. The Board of Directors will be composed of thirteen individuals, who represent the diversity of the community.

A board member shall not be a relative of any employee of Keystone Community Network. Relative is defined as a spouse, immediate family, or in-laws.

A quorum will be considered seven attending members and all votes must pass by a two thirds majority of the attending members, except where otherwise specified in these bylaws.

Section 5.02

A list of nominees will be presented by the Nominations' Committee at the annual meeting. This slate of candidates shall be presented for a vote to the general membership body at the annual meeting. Additional nominations will be accepted from the floor and Directors will be elected at this meeting. Vacancies shall be filled as soon as possible by the Board with a member that will serve as interim board member until the next general member meeting at which time the slate of board member candidates will be presented.

The term of office shall be three years, ending terms of office at the annual meeting or until successors are elected. Terms of office on the Board shall be staggered to guarantee at least three Board positions be newly filled each year.

Section 5.03

Board members shall receive no compensation but may be reimbursed for reasonable expense incurred in the performance of the corporation business and approved by the Executive Committee of the Board. Board members may also receive compensation if stipulated in the terms of any bequest or gift.

The Board may at any time by a unanimous vote of the members in attendance, providing the requirement of a quorum is met, remove another board member for violations of board policy, dereliction of duty and/or other reasons deemed proper by the Board of Directors.

Correspondence of board business, including votes on business, is acceptable through approved board media. E-voting is an acceptable means of doing business. Total votes at the end of a seven day period will constitute a quorum. E-voting is:

- a. to be used only for time sensitive issues
- b. to take a total of seven days – three days to read, two days for discussion and motion, two days to vote.

Directors are given KCnet accounts and are considered guests for the duration of their directorship.

Section 5.04

The Board has the right to appoint any member of the community to provide his/her expertise for the benefit of KCnet. These community appointees shall be Associate Board Members who will serve as an Advisory Committee. Their terms shall be one year.

ARTICLE VI

OFFICERS

Section 6.01

The officers of the corporation shall be a President, a Vice-President, a Secretary, a Treasurer and Past President, all elected from those persons who are serving on the Board of Directors. The positions of President, Vice-President, Secretary and Treasurer shall be elected by the Board of Directors, drawn up from a slate of candidates presented to the body by the Nominations' two weeks prior to the August Quarterly Meeting, at which time they will be voted upon.

It will be noted that no person shall hold more than one officer position at any one time. The person holding the title of treasurer shall not be a spouse or family member of any other person currently holding an officer's position.

Section 6.02

The term of each elected officer shall be one year, starting the term of office when elected, serving one year or until a successor is elected.

Section 6.03

The President, Vice-President, Secretary, and Treasurer shall perform the duties prescribed by the bylaws and by the parliamentary authority adopted by the Board.

For the purposes of execution of time sensitive documents and/or actions, whereby the Board President is not readily available, the line of succession to complete those duties shall be in order; Vice-President, Secretary and Treasurer.

Section 6.04

Vacancies shall be filled in the same manner as elections are made. If a vacancy occurs prior to the expiration of an officer's original term, an election shall be held as reasonably soon as possible, and the newly elected officer shall complete the unexpired term.

Section 6.05

In the event that an officer or member of the board fails to attend at least ~~one-half~~ 1/2 of the Board of Directors' meetings, then the remaining Board of Directors, as a whole, may vote to remove that individual from the Board and the vacancy will be filled in the same manner as elections are made. The Board may at any time, by a 2/3 vote of the members in attendance, providing the requirement of a quorum is met, remove another board member for violations of board policy, dereliction of duty and/or other reasons deemed proper by the Board of Directors.

Section 6.06

The Treasurer, the President and the Vice-President, and any other members of the Board of Directors, or staff who report to the President, who are authorized to handle the corporation funds shall be bonded for an amount commensurate with the amount of funds handled, determined by the entire Board of Directors and entered in the official minutes of the Board.

Section 6.07

All federal, state, local, grant, gift, and other donated funds used for the operation and improvement of the corporation shall be received by the Treasurer as a 501(c)(3) donation and used in accordance with the budget approved by the Board of Directors.

ARTICLE VII

EXECUTIVE COMMITTEE

Section 7.01

An Executive Committee, composed of the officers of the Board plus the non-voting Executive Director shall be entrusted to govern in the name of the Board of Directors between meetings of the Board.

Section 7.02

In the event that the corporation contracts or hires the ongoing services of personnel to run and operate the organization, the Executive Committee shall serve as supervisor and employer of the Manager, who will in turn, supervise and manage any and all staff and individual volunteers, within the parameters of all federal, state, and local laws, codes, or regulations that apply.

ARTICLE VIII

STANDING COMMITTEES

Section 8.01

Standing committees:

Finance/Fundraising, Planning, Technology, Education, Marketing and Outreach, Personnel, and Building.

Section 8.02

The Chairperson for each standing committee shall be appointed by the President of the Board of Directors from the membership of the Board.

Section 8.03

Other Committees may be created by the Board of Directors and/or the President as needed.

Section 8.04

Ad Hoc Committees may be appointed by the President as needed.

ARTICLE IX

LIMITATION OF PERSONAL LIABILITY OF DIRECTORS; INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER AUTHORIZED REPRESENTATIVES

Section 9.01

Limitation of Personal Liability of Directors.

A Director of the corporation shall not be personally liable for monetary damages as such for any action taken, or any failure to take any action, unless:

(a) The Director has breached or failed to perform the duties of his or her office as defined in Section 9.02 below; and

(b) The breach or failure to perform constitutes self-dealing, willful misconduct or recklessness.

The provisions of this Section shall not apply to (a) the responsibility or liability of the Director pursuant to any criminal statute; or

(b) the liability of the Director for the payment of taxes pursuant to local, state or federal law.

Section 9.02

Standard of Care and Justifiable Reliance.

(a) A Director of the corporation shall stand in a fiduciary relationship to the corporation, and shall perform his or her duties as a Director, including his or her duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the corporation, and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by any of the following:

(i) One or more officers or employees of the corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

(ii) Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person;

(iii) A committee of the Board upon which he or she does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.

(b) In discharging the duties of their respective positions, the Board, committees of the Board and individual Directors may, in considering the best interests of the corporation, consider the effects of any action upon employees, upon persons with whom the corporation has business and other relations and upon communities which the offices or other establishments of or related to the corporation are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of subsection (a) of this Section.

(c) Absent breach of fiduciary duty, lack of good faith or self-dealing, actions taken as a Director or any failure to take any action shall be presumed to be in the best interests of the corporation.

Section 9.03

Indemnification in Third Party Proceedings. The corporation shall 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 proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea 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 he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 9.04

Indemnification in Derivative Actions. The corporation shall 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 corporation to procure a judgment in its favor by reason of the fact that he or she is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the corporation unless and only to the extent that the Court of Common Pleas of Clinton County or 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 for such expenses which the Court of Common Pleas or such other Court shall deem proper.

Section 9.05

Mandatory Indemnification. Notwithstanding any contrary provision of the Articles or these bylaws, to the extent that a representative of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either Section 9.03 or Section 9.04 above, he or she shall be indemnified against expense

(including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 9.06

Determination of Entitlement to Indemnification.

Unless ordered by a Court, any indemnification under Section 9.03 or 9.04 above shall be made by the corporation only as authorized in the specific case upon determination that indemnification of the representative is proper in the circumstances because he or she has met the applicable standard of conduct set forth in such paragraph. Such determination shall be made:

- (a) By the Board by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding; or
- (b) If such a quorum is not obtainable, or, even if obtainable, a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 9.07

Advancing Expenses. Expense incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board in a specific case upon receipt of an undertaking by or on behalf of the representative to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in paragraphs 1 through 3 above.

Section 9.08

Indemnification of Former Representatives. Each such indemnity may continue as to a person who has ceased to be a representative of the corporation and may inure to the benefit of the heirs, executors and administrators of such person.

Section 9.09

Insurance. The corporation 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 corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any capacity or arising out of such person's status as such, whether or not the corporation would otherwise have the power to indemnify such person against such liability.

Section 9.10

Reliance on Provisions. Each person who shall act as an authorized representative of the corporation shall be deemed to be doing so in reliance upon the rights of indemnification provided by this Article.

ARTICLE X

INTERAGENCY COOPERATION

Section 10.01

The corporation may enter in cooperative endeavors with other agencies for the purpose of sharing personnel, materials, equipment, communications, and services by confederation or by merger as seen fit by the governing bodies of the agencies and the corporation's Board of Directors. Such cooperative endeavors must be within limits of funds available to the Board of Directors, conducive to the growth of the corporation and not in violation of local, state, or federal laws, codes or regulations or other agreements, contracts, or agency policies.

ARTICLE XI

MISCELLANEOUS

Section 11.01

Corporate Seal. The corporation shall have a corporate seal in the form of a circle containing the name of the corporation; the year of incorporation and such other details as may be approved by the Board.

Section 11.02

Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the Board may from time-to-time designate.

Section 11.03

Contracts. Except as otherwise provided in these bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 11.04

Deposits. All funds of the corporation shall be deposited from time-to-time to the credit of the corporation in such banks, trust companies, or other depositories as the Board may

approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the Board shall from time-to-time determine.

Section 11.05

Quarterly meetings shall be August, November, February, and May. Annual meeting be held in July with the Election of Board Members and hearing of the Annual Report. Officers will be elected in August.

Section 11.06

Annual Report of the Board. The Board shall direct the President and Treasurer to present at the annual meeting of the Board a report showing in appropriate detail the following:

- (a) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year immediately preceding the date of the report.
- (b) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.
- (c) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.
- (d) The expenses or disbursements of the corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.

The annual report of the Board shall be filed with the minutes of the annual meeting of the Board.

Section 11.07

Amendment of ByLaws.

Effective February 10, 2009, these bylaws may be amended or repealed, or new bylaws may be adopted, by vote of 2/3 of the Board Members of the Corporation present at that time, at any regular or special meeting, so long as the proposed bylaw change(s) have been published one month in advance in a public forum. Such proposed amendment, repeal or new bylaws, or a summary thereof, shall be set forth in any notice of such meeting, whether regular or special.

ARTICLE XII

PROVISIONS IN ACCORDANCE WITH SECTION 501 (C) (3)

Section 12.01

No part of the net earnings of the corporation/organization shall inure to the benefit of, or be distributable to its Members, trustees, directors, officers or other private persons, except that the corporation/organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of Section 501(c) (3) purposes. No substantial part of the activities of the corporation/organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation/organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provision of these articles, the corporation/organization shall not carry on any other activities not permitted to be carried on (a) by a corporation/organization exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code (or corresponding section of any future Federal tax code) or (b) by a corporation/organization, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code (or corresponding section of any future Federal tax code).

Upon dissolution of this corporation/ organization assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code, or corresponding section of any future Federal tax codes or shall be distributed to Federal government, or to a state or local government, for a public purpose.

However, if the named recipient is not then in existence or no longer a qualified distributee, or unwilling or unable to accept the distribution, then the assets of this corporation/organization shall be distributed to a fund, foundation or corporation organized and operated exclusively for the purposes specified in section 501(c) (3) of the Internal Revenue Code (or corresponding section of any future Federal tax code.)

ARTICLE XIII

SOFTWARE PIRACY POLICY

Section 13.01

Policy: It is the policy of KCnet to utilize all commercially-purchased software in accordance with its individual licensing agreement. Unless otherwise provided in the license, any duplication of copyrighted software, except for backup and archival

purposes, is a violation of the law. Unauthorized duplication of copyrighted computer software is contrary to KCnet's standard of conduct.

Purpose: To comply with Title 17 of the U.S. Code in the protection of "original works of authorship" that are fixed in a tangible form of expression. These categories should be viewed quite broadly and include literary, dramatic, musical, artistic, audiovisual, and computer programs, as well as other intellectual works.

ARTICLE XIV

Nondiscrimination/sexual Harassment Clause

Section 14.01

This policy defines KCnet's position on discrimination. It applies to all KCnet employees and contractors. KCnet follows an equal opportunity employment policy, and employs personnel without regard to race, creed, color, religion, national origin, sex, sexual orientation, age, physical or mental handicap, veteran status, or marital status.

This policy also applies to internal promotions, training, opportunities for advancement, terminations, relationships with outside vendors and customers, use of contractors and consultants, and in dealing with the general public.

Violations of this policy will be dealt with quickly, and disciplinary action may be taken, up to and including termination. Employees who feel they have been discriminated against, are to report the incident immediately to the Personnel Manager.

This policy is contained in the Personnel Policy of KCnet.

KCnet is an equal opportunity service provider.

ARTICLE XV

Keystone Community Network Privacy Policy, contained via link on www.kcnet.org

Section 15.01

We take privacy very seriously. We handle your personal information as we wish others would handle ours. Keystone Community Network does not share, sell, or lease account information. On occasion, Keystone Community Network may send you unsolicited mail or email regarding new promotions or sales.

Keystone Community Network requires all employees to sign a confidentiality agreement as a condition of employment, due to the possibility of being accessible to information which is confidential and/or intended for the company use only. All employees are required to maintain such information in strict confidence.

ARTICLE XVI

ANTI-TERRORISM COMPLIANCE MEASURES

Section 16.01

In compliance with the USA Patriot Act and other counter-terrorism laws, all funds and donations will be used in compliance with any and all applicable anti-terrorist financing and asset control laws, statutes and executive orders.

ARTICLE XVII

CONFLICT OF INTEREST

Section 17.01

A member of the Board of Directors shall be considered to have a conflict of interest if the member or someone in the member's immediate family has an existing or potential interest, financial or otherwise, which might impair or might reasonably appear to impair the member's independent, unbiased judgment in the discharge of his or her responsibilities to the United Way.

Section 17.02

Each member of the Board of Directors shall sign a Conflict of Interest statement following the Annual Meeting.

Section 17.03

A member of the Board of Directors shall disclose his/her possible conflict of interest at the start of any discussion concerning the organization with which the member's conflict of interest exists. A member of the Board of Directors shall be allowed to be present during any discussion on any matter under consideration at a Board or Committee meeting in which the member has a conflict of interest, but the member shall abstain from the final vote.

Any member of the Board of Directors who is uncertain whether a conflict of interest may exist in any matter may request the Board to resolve the matter by majority vote of the other members of the Board of Directors. Such member shall have the right to be present at the meeting but shall excuse himself prior to the final consideration and vote thereon.