

**BYLAWS
OF
THE TRI-COUNTY TELEPHONE ASSOCIATION, INC.**

Article I
MEMBERSHIP

SECTION 1. REQUIREMENTS FOR MEMBERSHIP. Any person, firm, association, corporation, or body politic or subdivision thereof, will become a member of The Tri-County Telephone Association, Inc. (hereinafter called the "Cooperative") upon receipt of telephone or other communication services from the Cooperative, provided that he or it has first:

- (a) Made a written application for membership therein;
- (b) Agreed to purchase services from the Cooperative in accordance with established tariffs and as hereinafter specified;
- (c) Agreed to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules and regulations adopted by the Board of Directors, and
- (d) Paid the membership fee hereinafter specified.

No member may hold more than one membership in the Cooperative, and no membership in the Cooperative shall be transferable, except as provided in these Bylaws.

Membership in the Cooperative is effected by:

- a.) Procuring the Cooperative's central office dial tone, or,
- b.) Providing a continuing periodic telecommunication revenue stream for the Cooperative.

The Board will determine under rule of general application the types and amounts of revenue streams or the types and the amounts of patronage that give rise to the privileges and obligations of membership. Exchange and inter-exchange carriers who participate with the Cooperative in the provision of telecommunication services to members are neither members nor patrons by virtue of division of revenue contracts.

SECTION 2. MEMBERSHIP CERTIFICATES. The status of all memberships shall be as reflected upon the books of the Cooperative and no membership certificates will be issued.

SECTION 3. INDIVIDUAL MEMBERSHIPS. All memberships in the Cooperative are extended only to individual members who meet the requirements of Section 1. Memberships formerly issued to husbands and wives, previously referred to as joint memberships, will be allowed to continue. However, no new joint membership will be established. Individual memberships will be freely transferable on the books of the Cooperative between any persons residing in the same household upon request in writing. Thus, the term "member" as used in these Bylaws shall refer to an individual 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:

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- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) The vote of either separately or both jointly shall constitute one joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership;
- (g) Either, but not both, may be elected or appointed as an officer or board member if individually qualified;
- (h) Upon the death of either spouse who is a party to the joint membership, such membership shall be converted to an individual membership. However, the estate of the deceased shall not be released from any debts due the Cooperative.
- (i) Upon the death of either spouse, the Board, at its discretion, shall have the power to retire capital credited to the joint membership, upon written request from the legal representative of the deceased members' estate.

SECTION 4. MEMBERSHIP FEES. The membership fee shall be five dollars (\$5.00).

SECTION 5. PURCHASE OF SERVICES. Each person who applies for service shall, as soon as service is available, take service from the Cooperative. The members shall pay therefor monthly rates in accordance with either established tariffs as fixed by the Board, or, for the services rendered by other carriers, at the rates which the Cooperative is obliged to bill and collect by contractual arrangements with other carriers. It is expressly understood that amounts received by the Cooperative for all services in excess of cost are furnished by members from the moment of receipt as capital, and each member shall be credited with the capital so furnished as provided in these Bylaws. However, the Cooperative is not obligated to furnish such credits for services which are not billed and collected by the Cooperative, even when such services are partially rendered over the facility of the Cooperative. Each member shall pay the above amounts owed to the Cooperative as and when the same shall become due and payable.

SECTION 6. TERMINATION OF MEMBERSHIP. (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds (2/3) of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or rules and regulations adopted by the Board, but only if such member shall have been given written notice by

the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. An expelled member may be reinstated by vote of the Board or by vote of the members at annual or special meeting. The membership of a member who for a period of thirty (30) days after service is available to him has not permitted the installation of service, or of a member who has ceased to purchase service from the Cooperative, may be canceled by resolution of the Board.

(b) Upon the withdrawal, death, cessation of existence or expulsion of a member the membership of such member shall thereupon terminate. The termination of membership in any manner shall not release a member, or his estate, from any debts due the Cooperative.

(c) In case of death or the patron moving from the area served by the association, the Cooperative shall repay to the member or his estate the amount of the membership fee paid by him, provided, however, that the Cooperative shall deduct from the amount of membership fee the amount of any debts or obligations owed by the member to the Cooperative.

Article II **RIGHTS AND LIABILITIES OF MEMBERS**

SECTION 1. PROPERTY INTEREST OF MEMBERS. Upon dissolution,
after:

- (a) All debts and liabilities of the Cooperative shall have been paid,
- (b) All capital furnished through patronage shall have been retired as provided in these Bylaws, and
- (c) All membership fees shall have been repaid,

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

SECTION 2. NON-LIABILITY FOR DEBTS OF THE COOPERATIVE. The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

Article III **MEETINGS OF MEMBERS**

SECTION 1. ANNUAL MEETING. The annual meeting of the members shall be held during the month of March of each year at such place, within a county served by the Cooperative, as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting.

It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Corporation.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three Board members, by the President, or by not less than 200 members or by ten per centum of all the members, whichever shall be lesser, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the notice of the special meeting.

SECTION 3. NOTICE OF MEMBERS' MEETINGS. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than twenty (20) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the Cooperative, with postage thereupon prepaid.

The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

SECTION 4. QUORUM. Fifty (50) or two percent (2%) of the members, whichever shall be the larger, present in person, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those members present in person may adjourn the meeting from time to time without further notice. A list of members present at any meeting of the members shall be maintained by the Cooperative.

SECTION 5. VOTING. Each member shall be entitled to only one vote upon each matter submitted to a vote of the members. All questions, including election of directors, except those involving multiple choice issues or determinations, shall be decided by a vote of a majority of the members voting thereon, except as otherwise provided by law, by the Articles of Incorporation, or by these Bylaws. Multiple choice issues or determinations, including directors' elections, shall be decided by a plurality vote. If there is a tie in the voting which would affect the determination of the top two (2) positions for the final vote, then these two (2) issues or persons shall be submitted to a majority vote of the members.

The Board of Directors may cause to be submitted by mail ballot any question to be voted on at any meeting of the members, including the election of directors. In such event, the Secretary shall cause to be mailed to each member, along with a 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 provided for that purpose and which is authenticated by the member's signature. If an election is conducted pursuant to this procedure, all voting shall be done by mail and the ballots so cast shall constitute the final determination of the question, including the election of directors. Ballots shall be mailed to members at least twenty (20) days before the meeting at which the question or election is to be considered effective, and returned for counting to the address indicated no later than the tenth (10th) day prior to the meeting. Results of any mailed ballot question or election shall be announced at the membership meeting.

SECTION 6. PROXIES. No member may cast a vote on any issue by proxy. A member may vote only by return of a ballot mailed to him, in the case of mail ballot questions, or by casting his vote personally at a membership meeting, in the case of questions to be voted upon at such meeting.

SECTION 7. ORDER OF BUSINESS. The order of business at the annual meeting of the members and, so far as possible at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

1. Report on the number of members present in person in order to determine the existence of a quorum.
2. Reading of the notice of the meeting and proof of the due publication or

mailing thereof, or the waiver or waivers thereof, as the case may be.

3. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.

4. Presentation and consideration of reports of officers, directors, and committees.

5. Amendment and addition to Bylaws, if any proposed.

6. Election of board members, or announcement of election results in the case of a mail-in ballot.

7. Unfinished business.

8. New business.

9. Adjournment.

Article IV **BOARD OF DIRECTORS**

SECTION 1. GENERAL POWERS. The business and affairs of the Cooperative shall be managed by a Board of Directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation, or these Bylaws conferred upon or reserved to the members. The terms “Board Members” and “Directors” are used interchangeably in these Bylaws.

SECTION 2. NUMBER OF DIRECTORS. (a) The Board of Directors shall consist of five (5) District Directors (as defined below), and up to four (4) At-Large Directors (as defined below). There shall be one (1) District Director position for each district of the

Cooperative. The At-Large Directors shall include, at a minimum, one (1) West At-Large Director and one (1) East At-Large Director.

(b) The Board may increase the number of At-Large Directors up to a total of four (4) at any meeting of the Board, provided that: (i) the At-Large Director position is created sufficiently in advance of the meeting of the members at which such position will be filled to allow completion of the nomination process for such position pursuant to Section 6 of this Article; (ii) the Board specifies the districts of the Cooperative that will be represented by such At-Large Director ;and (iii) the number of at large director positions shall always be an even number, to assure an odd number of total directors.

(c) The Board may decrease the number of At-Large Directors at any meeting of the Board, provided that: (i) only the positions created pursuant to Section 2(b) may be eliminated; and (ii) the Board shall specify an effective date for elimination of any At-Large Director position that allows the person then serving in such position to complete their current term.

SECTION 3. TERM OF DIRECTORS. Each elected Director shall serve a three (3) year term. Each Director shall serve until his or her successor is appointed or elected and qualified or until his or her earlier death, resignation or removal. No Director shall be eligible to succeed himself or herself by election or appointment on the Board after having served four (4) consecutive terms (12 years), without an intervening period of absence for at least three (3) years, this to apply to District Directors and At-Large Directors. Being a Director in either capacity shall prevent him or her from reappearing on the Board without the intervening period.

SECTION 4. ELECTION OF DIRECTORS. At the discretion of the Board of

Directors, Directors may be elected either by secret ballot conducted at such annual meeting or by mail ballot submitted to the members as set forth in Article III, Meetings of Members, Section 5, Voting, of these Bylaws. If an election of Directors is not held prior to or on the day designated herein for the annual meeting, or at any adjournment thereof, a special meeting of the members shall be held within a reasonable time thereafter for the purpose of electing Directors.

District Directors shall be elected by plurality vote of the members residing in the district to be represented by such District Director. Each District Director shall represent his or her nominating district. The East At-Large Director shall be elected by plurality vote of the members residing in districts 1, 2, and 5. The West At-Large Director shall be elected by plurality vote of the members residing in districts 3 and 4. Any additional At-Large Directors shall be elected by plurality vote of the members in those districts specified by the Board in its resolution creating such At-Large Director positions. Each Director shall be elected as provided herein.

SECTION 5. QUALIFICATIONS. No person shall be eligible to become or remain a Director who:

- (a) Is not a member of the Cooperative;
- (b) In the case of a District Director, is not a bona fide resident of the particular district which he or she is to represent;
- (c) In the case of an At-Large Director, is not a bona fide resident of one of the districts represented by such At-Large Director;
- (d) is in any way employed by or financially interested in a competing

enterprise or a business other than a business operating on a cooperative non-profit basis for the purpose of furthering rural communications; or

(e) is closely related to an incumbent Director or an employee of the Cooperative. As used here, "closely related" means a person who is related to the principal person by consanguinity or affinity, to the second degree or less that is, a person who is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew, or niece by blood or in law, of the principal. However, no incumbent Director shall lose eligibility to remain a Director or to be re-elected as a Director if he or she becomes a close relative of another incumbent Director or of a Cooperative employee because of a marriage to which he or she was not a party; neither shall an employee lose eligibility to continue in the employment of the Cooperative if he or she becomes a close relative of a Director because of a marriage to which he or she was not a party.

To remain a Director, the incumbent must attend two-thirds or more of the regular meetings during each 12-month period beginning with the month of his or her election. Upon establishment of the fact that a Director or nominee is in violation of any of the provisions of this section: (a) such Director shall immediately be deemed to be removed as a Director of the Cooperative and the vacancy so created shall be filled in the manner set forth in this Article; and (b) such nominee shall immediately be deemed ineligible to run for election.

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

SECTION 6. DISTRICT NOMINATIONS. The territory served or to be served by the Cooperative shall be divided by the Board of Directors into five (5) districts for the

purpose of nomination and election of District Directors and each district shall contain as nearly as practical the same number of members. Not less than one hundred eighty (180) days before any meeting of the members at which Directors are to be elected, the Board of Directors shall review the composition of the districts and, if it should be found that inequalities in representation have developed which can be corrected by a redelineation of districts, the Board shall reconstitute the districts so that each shall contain as nearly as practical the same number of members. It shall be the duty of the Board of Directors to appoint, not less than sixty (60) days nor more than one hundred eighty (180) days prior to the date of a meeting of the members at which Directors are to be elected, a committee on nominations consisting of ten (10) members who shall be selected so that there will be two (2) committee members from each district so as to insure equitable representation. No incumbent Director may serve on such committee.

The committee on nominations, keeping in mind the principle of equitable representation, shall be charged with the following responsibilities:

- (a) Not less than forty-five (45) days before the membership meeting at which directors are to be elected, prepare and post at the principal office of the Cooperative a list of nominations for directors which shall include at least one candidate for each director position to be filled by the election. In preparing such list of nominations, the committee and its members shall be free to solicit and receive expressions of interest,

resumes or other information from members or others as it may deem appropriate to assure the existence of qualified candidates for the Board of Directors. The committee shall not be obligated to include on its list of nominations the name of any member expressing an interest in being nominated, but rather shall exercise its independent judgment and discretion in determining its nominees.

(b) To establish or approve the manner of conducting member registration and any ballot or other voting;

(c) To pass upon all questions that may arise with respect to the registration of members.

(d) To count all ballots or other votes cast in any election or in any other matter;

(e) To rule upon the effect of any ballots or other vote irregularly or indecisively marked or cast;

(f) To rule upon all other questions that may arise related to member voting and the election of directors (including but not limited to the validity of petitions of nomination or the qualification of candidates and the regularity of the nomination and election of directors);

(g) To pass upon any protest or objection filed with respect to any election or conduct affecting the results of any election.

The Secretary shall be responsible for mailing with the notice of the meeting or separately, but at least twenty (20) days before the date of the membership meeting, a statement of the number of Board members to be elected and the names and addresses of the candidates nominated by the committee on nominations. Any fifteen or more members acting together may make other nominations by petition and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. Nominations made by petition, if any, received at least thirty (30) days before the meeting shall be included on the official ballot. In the case of election by mail ballots, no other nominations will be received. If the election is to be by member vote at the annual meeting, nominations by petition received less than thirty (30) days before the meeting shall be treated as nomination from the floor. In addition, at elections conducted by votes cast at an annual meeting, the President shall call for additional nominations from the floor and nominations shall not be closed until the President has made two (2) calls for such nominations. No member may nominate more than one candidate.

SECTION 7. REMOVAL OF BOARD MEMBER BY MEMBERS. Any member may bring charges against a Board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten per centum of the members or 200, whichever is the lesser, may request the removal of such Board member by reason thereof. Such Board member shall be informed in writing of the charges at

least ten days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board members shall be considered and voted upon at the meeting of the members and any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations.

SECTION 8. VACANCIES. Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of Board members by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Board members for the unexpired portion of the term, provided, however, that in the event the vacancy is not filled by the Board within sixty days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members without compliance with the foregoing provisions with respect to nominations.

SECTION 9. COMPENSATION. Board members shall not receive any salary for their services as such, except that Board members of the Cooperative may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conference, and training programs or

performing committee assignments when authorized by the Board. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the Board member or his close relative shall have been certified by the Board as an emergency measure. For the purpose of this section, close relative includes grandparents, parents, husband, wife, children, grandchildren, brothers, sisters, uncles, aunts, nephews and nieces by blood, by marriage, or by adoption, and spouses of any of the foregoing.

SECTION 10. TRANSITION PERIOD.

(a) Notwithstanding any provisions to the contrary in this Article IV, during the Transition Period, this Section shall govern the composition of the Board of Directors and the number and term of Director positions. The Transition Period shall begin on the date of the annual meeting of members in 2019 and shall end at such time as the Board consists of five (5) District Directors, an East At-Large Director and a West At-Large Director. The purpose of the Transition Period is to change the size and composition of

the Board over time by decreasing the number of District Directors from ten (10) to five (5), by declaring the existing At-Large Director position as the East At-Large Director position, and by creating a West At-Large Director position.

(b) To accomplish the reduction of the number of District Directors, the District Director positions listed below will be eliminated in accordance with the following:

(i) the District Director position for district #1 held by Randy J, Parker shall be eliminated effective as of date of the annual meeting of members in 2021;

(ii) the District Director position for district #2 held by Alona F. Hedstrom shall be eliminated effective as of the date of the annual meeting of members in 2020;

(iii) the District Director position for district #3 held by Kenny A. Stroda shall be eliminated effective as of the date of the annual meeting of members in 2022;

(iv) the District Director position for district #4 held by Monte J. Dibben shall be eliminated effective as of the date of the annual meeting of members in 2019;
and

(v) the District Director position for district #5 held by Linda L. Wessel shall be eliminated effective as of the date of the annual meeting of members in 2019.

(c) The Board shall include an East At-Large Director and a West At-Large

Director. The At-Large Director position currently held by Chad E. Tischhauser shall be deemed the East At-Large Director position. The East At-Large Director position shall be filled at the annual meeting of members in 2020, and the West At-Large Director position shall be filled at the annual meeting of members in 2019. Upon expiration of the terms thereof, the At-Large Director positions shall each be nominated and elected in accordance with the provisions of Sections 4 and 6 of this Article.

(d) Upon the end of the Transition Period the Board of Directors may remove this Section from the Bylaws at any time without the need for amendment of the Bylaws pursuant to Article XII, and such removal shall not be considered an amendment of the bylaws.

Article V **MEETINGS OF BOARD**

SECTION 1. REGULAR MEETINGS. A regular meeting of the Board shall be held as soon after the annual meeting as is reasonable, upon proper notice, and may be held within any county served by the Cooperative. A regular meeting of the Board shall also be held at least quarterly at such time and place within one of the counties served by the Cooperative as designated by the Board. Such regular meetings may be held without notice other than such resolution fixing the time and place thereof.

Unless specifically prohibited by law, meetings, regular or special, may be conducted through the use of conference telephone or other communications equipment

by means of which all persons participating in the meeting can communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the person so participating.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board may be called by the President or by any three Board members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or Board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. NOTICE OF BOARD MEETINGS. Notice of the time, place, and in the case of a special meeting, the purpose of any meeting of the Board, shall be delivered to each Board member personally, by mail, or electronically by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or one of the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United State mail addressed to the Board member at his address as it appears on the records of the Cooperative, with postage thereon prepaid, at least five (5) days before the date set for the meeting. If notice is to be given electronically, such notice shall be by a form of electronic transmission consented to by the Board member to whom the notice is given. Any such consent shall be revocable by the Board member by written notice to the Cooperative. Any such consent shall be deemed revoked if: (1) the Cooperative is unable to deliver by electronic transmission

two consecutive notices given by the Cooperative in accordance with such consent; and (2) such inability becomes known to the Secretary of the Cooperative or other person responsible for giving the notice. The inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice shall be deemed given; (1) if by facsimile telecommunication, when directed to a number at which the Board member has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the Board member has consented to receive notice. An Affidavit of the Secretary or other agent of the Cooperative that the notice has been given by a form of electronic transmission, in the absence of fraud, shall be prima facie evidence of the facts stated therein. For purposes of this paragraph, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such recipient through an automated process.

SECTION 4. QUORUM. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board members attending may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Board members of the time and place of such adjourned meeting.

SECTION 5. ACT OF BOARD. The act of a majority of the Board members

attending a meeting at which a quorum is present shall be the act of the Board.

Article VI
OFFICERS

SECTION 1. NUMBER. The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer, and such other officers as may be determined by the Board from time to time. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot, annually by and from the Board at the meeting of the Board held after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members or until his successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 3. REMOVAL OF OFFICERS AND AGENTS BY THE BOARD. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten per

centum of the members or 200, whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the Board meeting at which the charges are to be considered and shall have opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal may be considered and voted upon at the next meeting of the members.

SECTION 4. PRESIDENT. The President shall:

- (a) preside at all meetings of the members of the Board;
- (b) Sign, with the Secretary, any deeds, mortgages, deed of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Cooperative, or shall be required by law to otherwise be signed or executed; and
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 5. VICE-PRESIDENT. In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the

restrictions upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the Board.

SECTION 6. SECRETARY. The Secretary shall be responsible for:

(a) keeping the minutes of the meetings of the members and of the Board in books provided for that purpose;

(b) seeing that all notices are duly given in accordance with these Bylaws or as required by law;

(c) the safekeeping of the corporate books and records and the seal of the Cooperative; and affixing the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;

(d) keeping a register of the names and post offices addresses of all members;

(e) signing, with the President, certificates of membership, the issuance of which shall have been authorized by the Board or the members;

(f) keeping on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the Bylaws and of all amendments thereto to each member; and

(g) in general performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Board.

(h) the Secretary shall have authority, with the approval of the Board, to delegate to the Chief Executive Officer the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this section.

SECTION 7. TREASURER. The Treasurer shall be responsible for:

(a) custody of all funds and securities of the Cooperative;

(b) the receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; provided, however, that the Treasurer shall have authority, with the approval of the Board, to delegate to the Chief Executive Officer the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this section; and

(c) the general performance of all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board; provided, however, with respect to the duties and responsibility of the Treasurer, the Cooperative 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 or her official capacity, unless such claim is the result of an act personally committed or omitted

by the Treasurer resulting in loss to the Cooperative.

SECTION 8. CHIEF EXECUTIVE OFFICER. The Board shall appoint a Chief Executive Officer who may be, but who shall not be required to be a member of the Cooperative. The Chief Executive Officer shall perform such duties and shall exercise such authority as the Board may from time to time vest in him.

SECTION 9. BONDS OF OFFICERS. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property shall be bonded in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent, or employee of the Cooperative to be bonded in such amount and with such surety as it shall determine.

SECTION 10. COMPENSATION. The powers, duties, and compensation of officers, agents, and employees shall be fixed by the Board subject to the provisions of these Bylaws with respect to compensation for a Board member and close relatives of a Board member.

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

SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED. The Cooperative shall at all times be operated on a Cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING TELEPHONE AND OTHER COMMUNICATION SERVICES. In the furnishing of telephone and other communication services the Cooperative's operations shall be so conducted that all patrons will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of telephone and other communication services in excess of operating costs and expenses properly chargeable against the furnishing of telephone and other communication services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and

the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account; PROVIDED, that individual notices of such amounts furnished by each patron shall not be required if the Cooperative notifies all patrons of the aggregate amount of such excess and provides a clear explanation of how each patron may compute and determine for himself the specific amount of capital so credited to him. All such amounts credited to the capital account of any patron have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year and (b) to the extent not needed for that purpose, allocated to its patrons on a patronage basis and any amount so allocated shall be included as part of the capital credited to the accounts of patrons, as herein provided.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to patrons' accounts may be retired in full or in part. The

Board of Directors shall determine the method, basis, priority and order of retirement, if any, for all amounts furnished as capital; PROVIDED, HOWEVER, that any indebtedness owed by any such patron to the Cooperative may be offset and deducted from the capital credits accrued to the account of any such patron.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise. In the event that a non-member patron shall elect to become a member of the Cooperative, the capital credited to the account of such non-member patron may, at the discretion of the Board, be applied toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provision of the Bylaws or other provision of the membership certificate, if any member or former member fails to claim any cash retirement of capital credits or other payment from the Cooperative within three (3) years after payment of the same has been made available to him by notice or check mailed to him at his last address furnished by him to the Cooperative, such failure shall be and constitutes an irrevocable assignment and gift by such member of such capital credit or other payment to the Cooperative. Failure to claim any such payment within the meaning of this section shall include the failure of such member or former member to

cash any check mailed to him by the Cooperative at the last address furnished by him to the Cooperative. The assignment and gift provided for under this section shall become effective only upon the expiration of three (3) years from the date when such payment was made available to such member or former member without claim therefor and only after the further expiration of sixty (60) days following the giving of a notice by mail or publication that unless such payment is claimed within said sixty (60) day period, such gift to the Cooperative shall become effective. The notice by mail herein provided shall be one mailed by the Cooperative to such member or former member at the last known address. If notice by publication is given, said publication shall be one insertion in a newspaper circulated in the service area of the Cooperative, which may be the Cooperative newsletter. The sixty (60) day period following the giving of such notice either by mail or publication shall be deemed to terminate sixty (60) days after the mailing or publication of such notice.

Notwithstanding any other provisions of these Bylaws, the Board, at its discretion, shall have the power at any time upon the death of any patron, if the legal representation of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the

financial condition of the Cooperative will not be impaired thereby; and, provided, further, however, that, if acting under policies of general application, the amount (or percentage) authorized by the Board to be retired is not sufficient to retire the capital credited to any such patron or patrons in full, such patron or patrons shall have the balance of capital credited to them retired in the next succeeding year before any other retirements are made in such succeeding year. Further, the Board at its discretion and by resolution may provide for and deduct and use the first five dollars (\$5.00) of a patron's Capital Credit due him as herein provided for the payment of a membership in said association; a notice of such deduction and of payment of membership is to be sent to such patron or representative thereof, within thirty (30) days thereafter.

The Board, in its discretion, shall have the power at any time to provide for the special retirement of capital credits of current and former members of the Cooperative that have been members of the Cooperative for a number of years determined by the Board. As determined by the Board, such accelerated retirement may be on a discounted basis. The terms and conditions of, and the manner, method, and timing of, any such special retirement, and the amount of and limitations on capital credits to receive special retirement, shall be determined by the Board in its sole discretion.

When any provision of these Bylaws authorizes discounted retirement of capital credits, the Board is authorized to determine the applicable capital rotation period, the discount rate, and any other factor relevant to calculating the discounted value of capital

credits. The Cooperative's payment of specially retired capital credits on a discounted basis as provided hereunder shall constitute a full and final settlement and discharge of any right to the full face value of such capital credits. The difference between the full face value of the capital credits and the discounted value of such capital credits determined for purposes of special retirement shall be deemed (i) received by the patron and (ii) immediately contributed to the Cooperative in exchange for a new equity interest in the Cooperative that is payable only upon dissolution of the Cooperative and that shall entitle the holder to no interest, rate of return, or dividends.

Prior to making payment of any specially retired capital credits to a patron hereunder, the Cooperative shall, to the extent permitted by law, be entitled to offset such payment against any amounts owed by such patron to the Cooperative.

The Board is hereby authorized to adopt such rules, regulations and policies as they deem necessary or advisable to carry out the provisions of these Bylaws. The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Article VIII
DISPOSITION OF PROPERTY

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

pursuant to the Act under which this cooperative is incorporated.

Article IX
SEAL

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

Article X
FINANCIAL TRANSACTIONS

SECTION 1. CONTRACTS. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

SECTION 3. DEPOSITS. All funds except petty cash of the Cooperative shall be deposited from time to time to the credit of the Cooperative in such bank or banks as the Board may select.

SECTION 4. CHANGE IN RATES. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America of proposed

change in rates charged by the Cooperative for telephone service as required by statute.

SECTION 5. FISCAL YEAR. The fiscal year of the Cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

Article XI
MISCELLANEOUS

SECTION 1. WAIVER OF NOTICE. Any member or Board member may waive in writing any notice of meeting required to be given by these Bylaws. The attendance of a member or Board member at any meeting shall constitute a waiver of notice of such meeting by such member or Board member, except in the case a member or Board member shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 2. POLICIES, RULES, AND REGULATIONS. The Board shall have power to make and adopt such policies, rules, and regulations, not inconsistent with law, the Articles of Incorporation, or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 3. ACCOUNTING SYSTEM AND REPORTS. The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory

bonds, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The Board shall also cause to be made by a certified public accountant a full and complete annual audit of the accounts, books, and financial condition of the Cooperative. The results of such audit shall be reported to the members at the next following annual meeting.

SECTION 4. AREA COVERAGE. The Board shall make diligent effort to see that telephone services are extended to all unserved persons within the Cooperative service area who (a) desires such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.

Article XII **AMENDMENT**

The Bylaws may be altered, amended, or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed addition, alteration, amendment or repeal; provided further, that these Bylaws, and each section thereof, may be altered, amended, or repealed only by the affirmative vote of not less than two-thirds of the members of the Cooperative present and voting.

Article XIII **INDEMNIFICATION**

The Cooperative shall indemnify any person or such person's estate or personal representative who was or is a party, or is threatened to be made a party to any pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director, officer or employee of the Cooperative, against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, including attorney's fees, to the full extent permitted by law, upon a determination that such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Cooperative, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Indemnification shall not be made in respect of any claim, issue or liability as to which such person shall have been adjudged to be liable.

In the event of a settlement before or after an action, suit or proceeding, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Cooperative is advised by independent legal counsel that the person to be indemnified was not guilty of negligence or misconduct. Expenses incurred in defending a civil or criminal action, suit or proceeding shall not be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding.

The foregoing right of indemnification shall not be exclusive of any other rights to which those seeking indemnification may be entitled under any other bylaw provision, agreement, vote of the members or disinterested directors or otherwise.

APPROVED:

Shawn M. Tiffany, President

ATTEST:

Luke A. Wingerd, Secretary

AMENDED AND AFFECTIVE AS OF JANUARY 1, 2019