



Dickey Rural Telephone Cooperative

Bylaws

October 7, 2003 (As amended 10-16-14)

BYLAWS
OF
DICKEY RURAL TELEPHONE COOPERATIVE

ARTICLE I

MEMBERSHIP

SECTION 1.1 Eligibility. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Dickey Rural Telephone Cooperative (hereinafter called the "Cooperative") upon receipt of retail telecommunications and information services (hereinafter referred to simply as "services") from the Cooperative at a premise within its established service area. Membership is automatic and instantaneous upon receipt of service; however, each member shall: ¹

- (1) Make a written application for membership for the Cooperative's records;
- (2) Agree to purchase services from the Cooperative in accordance with established tariffs, as well as pay other charges for services that the member uses and the Cooperative is obligated by law or contract to collect;
- (3) Agree 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; and
- (4) Pay any membership fee as hereinafter may be specified. Membership eligibility terminates upon disconnection of service; however the Board may provide for suspension of service during periods of temporary absence of a member. ²

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

SECTION 1.2. Definition and Classifications.

- (a) Membership in the Cooperative is effected by:
 - (1) Procuring the cooperative's central office dial tone, or
 - (2) Providing a continuing periodic telecommunications revenue stream for the Cooperative.

The Board will determine under rules of general application the types and amounts of revenue streams or the types and amounts of patronage that give rise to the privileges and obligations of membership.

(b) The Cooperative may have one or more classes of members to accommodate the various types of services. If the Cooperative has more than one class of membership, the definitions, the types, the qualifications and rights of each class shall be determined by the Board and set forth in these Bylaws.

(c) Exchange and interexchange carriers who participate with the Cooperative in the provision of telecommunications service to members are neither members nor patrons by virtue of division of revenue contracts.

(d) Each time sharing or interval ownership premise is considered as a single corporate member. The owner of seasonal, recreational and short-interval rental properties will be deemed to hold the membership.

No member may hold more than one membership of each class in the Cooperative. No membership in the Cooperative shall be transferable, except on the books of the Cooperative and as provided for in these Bylaws.

(e) A husband and wife may apply for a joint membership and, subject to their compliance with the requirements of Section 1.1 of this Article, may be accepted for such membership. The term "Member" as used in these By-Laws shall be deemed to include husband and wife 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 the respect of the holders of a joint membership shall be as follows:³

- (1) 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;
- (2) The vote of either separately or both jointly shall constitute one joint vote;
- (3) A waiver of notice signed by either or both shall constitute a joint waiver;
- (4) Notice to either shall constitute notice to both;
- (5) Expulsion of either shall terminate the joint membership;
- (6) Withdrawal of either shall terminate the joint membership;
- (7) Either, but not both, may be elected or appointed as an officer or board member if individually qualified;

(f) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, By-Laws, and rules and regulations adopted by the Board.⁴

(g) Upon the death of either spouse of a joint membership, such membership shall continue to be held solely by the survivor, in the same manner and to the same effect as though such membership had never joined; provided, that the estate of the deceased spouse shall not be released from any debts due the Cooperative. Upon the legal separation or divorce of the holders of a joint membership, such membership shall continue to be held solely by the one who continues to occupy or use the premises covered by such membership, in the same manner and to the same effect as though such membership had never been joined; provided that the other spouse shall not be released from any debts due the Cooperative and the patronage credits shall be divided one-half to each party.⁵

SECTION 1.3. Membership Fees. The membership fee, if any, shall be determined by the Board at a uniform amount and set for each class of membership. The Board may dispense with the initial payment of a membership fee, allowing the amount of such membership fee to be taken from the first capital credits accruing to the member's account; however, membership fees taken from accrued capital credits shall not be refunded upon termination of membership but will be paid out under the provisions of the Cooperative's general and special capital credit retirement bylaws.

SECTION 1.4. Purchase of Services. Each person who applies for service shall, as soon as service is available, take service from the Cooperative. The member shall pay therefore monthly at 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 service which are not billed and collected by the Cooperative, even when such services are partially rendered over the facilities of the Cooperative. Each member shall pay the above amounts owed by him to the Cooperative as and when the same shall become due and payable.

SECTION 1.5. 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 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 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. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting.

(b) Upon the withdrawal, death, cessation of service or expulsion of a member, the membership of such member shall thereupon terminate and will be so recorded on the books of the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative nor do unpaid bills release a member from his obligations

under these bylaws or rules and regulation approved by the Board.

(c) In case of withdrawal or termination of membership in any manner, the Cooperative shall repay to the member the amount of any membership fee credited to the member's account, provided, however, that the Cooperative shall deduct from the amount of the membership fee, the amount of any debts or obligations owed by the member to the Cooperative.⁶

ARTICLE II

RIGHTS AND LIABILITIES OF THE COOPERATIVE AND THE MEMBERS

SECTION 2.1. Service Obligations. The Cooperative will use reasonable diligence to furnish adequate and dependable services, but it cannot and does not guarantee uninterrupted services nor will it always be able to provide every service desired by each individual member.⁷

SECTION 2.2. Cooperation of the Members in the Extension of Services. The cooperation of members of the Cooperative is imperative to the successful, efficient and economical operation of the Cooperative. Members who are receiving or who are requesting service shall be deemed to have consented to the reasonable use of their real property to construct, operate, maintain, replace or enlarge telephone and/or communications lines, overhead or underground, including all conduit, cables, wires, surface testing terminals, markers and other appurtenances under, through, across, and upon any real property or interest therein owned or leased or controlled by said member for the furnishing of telephone or communication service to said member, or any other member, at no cost to the Cooperative. When requested by the Cooperative, the member does agree to execute any easement or right-of-way contract on a form to be furnished by the Cooperative.⁸

SECTION 2.3. Nonliability 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.

SECTION 2.4 Property Interest of Members. Upon dissolution, after:

- (1) All debts and liabilities of the Cooperative shall have been paid;
- (2) All capital furnished through patronage shall be retired as provided in these bylaws; and
- (3) 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 and former member bears to the total patronage of all such members and such former members on the date of dissolution unless otherwise provided by law.¹⁰

ARTICLE III

MEETING OF MEMBERS

SECTION 3.1. Annual Meeting. The annual meeting of the members shall be held at a date and 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 Cooperative.¹¹

SECTION 3.2. 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 10% of all the members, 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.¹²

SECTION 3.3. Notice of Members' Meetings. Written or printed notice, stating the place, the day and hour of the meeting, and in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or' purposes for which the meeting is called, shall be delivered not less than ten days nor more than twenty 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 thereon prepaid. The failure of any member to receive notice of annual or special meeting of the members shall not invalidate any action which may be taken by the members at such meeting.¹³

SECTION 3.4. Quorum. As long as the total number of members does not exceed five hundred, ten per centum of the total number of members present in person shall constitute a quorum. In case the total number of members shall exceed five hundred, fifty members or two per centum of the members present in person, whichever shall be the larger, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time provided that it is a date not less than 40 days later, and to any place in one of the counties in North Dakota within which the Cooperative serves; provided that the Secretary shall notify any absent members of the time, State and place of such adjourned meeting by delivering notice thereof as provided in Section 3 of this Article.¹⁴

SECTION 3.5. Voting. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions, 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, the Articles of Incorporation or these by-laws. Multiple choice issues or determinations shall be decided by a plurality vote. In case of a tie vote, the Secretary shall notify the candidates between whom the tie exists and the Secretary shall then determine by a flip of the coin who the elected candidate shall be. Members may not cumulate their votes or vote by proxy, by signed vote or by mail, unless specifically allowed for in these bylaws.¹⁵

SECTION 3.6. 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 meetings:

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 of notice of the meeting, 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. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

ARTICLE IV

DIRECTORS

SECTION 4.1. General Powers. The business and affairs of the Cooperative shall be managed by a board of directors representing each of the Cooperative's districts, which shall exercise all the powers of the Cooperative except such as are by law, the Articles of Incorporation or these by-laws conferred upon or reserved to the members.

SECTION 4.2. Election Process and Tenure of Office. Directors shall be elected by a secret ballot at each annual meeting when there is competition for the Board seat(s) to be filled. They shall be elected by and from the members to serve a three (3) year term, or until their successors shall have been elected and shall have qualified, and that the terms of the directors shall be staggered to insure continuity if an election of directors shall not be held on the day designated herein for the annual meeting or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing directors at a reasonable time thereafter. Directors shall be nominated and elected as provided hereinafter.

SECTION 4.2.1. The territory served by the Cooperative shall be divided into no less than 7 Districts and no less than 4 Regions defined by resolution of two-thirds of the directors representing the following exchanges: Jud, Dickey, Litchville, Marion, Kathryn, Verona, Fort Ransom, Fredonia, Merricourt, Crete, Milnor, Nelvik, Venturia, Forbes, Fullerton and Guelph and no less than 5 of the 7 districts shall be comprised of these exchanges. For purposes of voting for Directorships only, there shall be not less than four regions. Regions 1, 2 and 3 shall be comprised of Districts made up of the following exchanges: Jud, Dickey, Litchville, Marion, Kathryn, Verona, Fort Ransom, Fredonia, Merricourt, Crete, Milnor, Nelvik, Venturia, Forbes, Fullerton

and Guelph and any exchanges added thereto by resolution of two-thirds of the directors representing these exchanges. Region 4 shall be comprised of District(s) made up of the following exchanges: Ashley, Kulm, Edgeley, Ellendale, LaMoure, Oakes, Forman, Gwinner, Lisbon and any exchanges added thereto by resolution of two-thirds of the directors representing the Region 1, Region 2 and Region 3 exchanges.

SECTION 4.2.2. Any additional geographical area(s) added to the territories served by the Cooperative shall be added only to Districts in a manner as determined by no less than a two-thirds vote of the Directors representing the following exchanges: Jud, Dickey, Litchville, Marion, Kathryn, Verona, Fort Ransom, Fredonia, Merricourt, Crete, Milnor, Nelvik, Venturia, Forbes, Fullerton and Guelph, but the Directors representing the following exchanges shall have no vote regarding this matter: Ashley, Kulm, Edgeley, Ellendale, LaMoure, Oakes, Forman, Gwinner, Lisbon and any other exchanges added to the cooperative territory. Any re-districting in any manner of the Districts or of the Regions of the Cooperative shall be done so only in a manner as determined by no less than a two-thirds vote of the Directors representing the following exchanges: Jud, Dickey, Litchville, Marion, Kathryn, Verona, Fort Ransom, Fredonia, Merricourt, Crete, Milnor, Nelvik, Venturia, Forbes, Fullerton and Guelph, but the Directors representing the following exchanges shall have no vote regarding this matter: Ashley, Kulm, Edgeley, Ellendale, LaMoure, Oakes, Forman, Gwinner, Lisbon and any other exchanges added to the cooperative territory.

SECTION 4.3. Qualifications. No person shall be eligible to become or remain a director of the Cooperative who:

- (a) Is not a natural person;
- (b) Is not presently residing or has not resided for the past two consecutive years, or shall not remain a resident of the area served or to be served by the Cooperative;
- (c) Is a former employee who has been employed by the Cooperative on a full time or on a part time basis during any time period in the past five years, or is the spouse of such a former employee;
- (d) Is a convicted felon of any State or Federal crime;
- (e) Is not able to attend a minimum of ten regular scheduled board meetings per year, beginning with the board meeting in the month the director is elected or appointed;
- (f) Is not a member and is not presently residing in the district represented by such directorate;
- (g) Is an employee of the Cooperative or in any way financially interested in a competing enterprise or a business engaged in selling telecommunication service or telecommunication supplies or maintaining telecommunication facilities. However, the Board may grant exceptions for "de minimus" competing enterprise.
- (h) 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, grandparent, parent, 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 reelected as a director if he becomes a close relative of another incumbent director or of a Cooperative employee because of a marriage to which he 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.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the board shall remove such director from office. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the board.

SECTION 4.4. Nominations. It shall be the duty of the board to appoint, a committee on nominations consisting of one committee member from each District. No member of the board may serve on such committee. The committee shall prepare and post at the principal office of the Cooperative at least thirty (30) days before the meeting a list of nominations for directors to be elected. (Any fifteen or more members acting together may make other nominations by petition, but a nomination by petition must specify the district directorship for which the nomination is made and the petitioners must be members in the director district for which the nomination is made [not less than twenty (20) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted.]). The Secretary shall be responsible for the mailing of the notice of the meeting and a statement of the number of directors to be elected, the names and addresses of the candidates, specifying separately the nominations by the committee and the nominations made by petition, if any; said notice and statement to be mailed at least ten days before the date of the meeting. Nominations from the floor and write-in voting at the annual meeting shall not be permitted.

SECTION 4.5. Election of Directors. At the annual meeting, voting for each directorship shall be limited to members from the territorial region from which a director is to be elected. Voting shall be by written ballot, except where there is only one nominee for a directorship the election may be by acclamation. The nominee from each district receiving the highest number of votes of all nominees from that district shall be elected.

Each member personally present shall have one vote for one directorship from their region who is up for election at the annual meeting. No member may vote in more than one region. An individual human member shall vote for one candidate in the region in which the member maintains his principal residence. A member other than a human individual shall vote for one candidate in the region in which the member maintains its principal place of business. The Board of Directors may adopt reasonable policies to administer the provision that no member shall vote in more than one region, including but not limited to provisions for a member's change of the region in which he votes.

Write-in voting for a person who has not been nominated as provided in Section 4.4 shall not be permitted. Voting by proxy shall not be permitted. In the absence of written notice that some person has been designated to represent a member who is other than a human individual, the member may be represented by any of its principal officers. If a member who is other than a human individual is not represented by any of its principal officers, the member may designate a human individual to represent it by giving the Cooperative a written notice at or before the member meeting, which shows that the named representative has been authorized by the managing board of such member to represent it at the meeting of this Cooperative. An individual human person may represent no more than one member that is not a human individual but may also vote if he is a member individually. The provisions for representative voting shall be strictly interpreted and strictly enforced, to avoid impairment of the prohibition against proxy voting.

SECTION 4.6. Removal of Board Member by Members & Resignations.

(a) Any member may bring charges against a Board member, which shall specify malfeasance or nonfeasance of the duties and responsibilities of his/her position. Such charges shall be in writing and filed with the Secretary together with a petition signed by at least 10% of the members or 250 members, whichever is the lesser, and may request the removal of such Board member by reason thereof.

(b) Such Board member shall be informed in writing of the charges at least 10 days prior to the meeting of the members at which the charges are to be considered and shall have the opportunity at the meeting to be heard in person or by counsel to present evidence in respect to the charges. A person or persons bringing the charges against the Board member shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members.

(c) Any vacancy created by such removal may be filled by vote of the members from the region that includes the vacant district at such meeting without compliance with provisions of these by-laws with respect to nominations, but otherwise in compliance with voting procedures and districts and regions as set forth in Section 4.5.

(d) A director may resign at any time by written notice delivered to the board of directors, the President or Secretary of the Cooperative. A resignation is effective when the notice is delivered unless the notice specifies a future date. The pending vacancy may be filled before the effective date but the successor shall not take office until the effective date.

(e) Unless a director becomes ineligible to remain a director by loss of status as a member or by some other such cause, no director shall be removed from office unless by vote of two-thirds of the members present at a meeting of the members from the following exchanges: Jud, Dickey, Litchville, Marion, Kathryn, Verona, Fort Ransom, Fredonia, Merricourt, Crete, Milnor, Nelvik, Venturia, Forbes, Fullerton and Guelph.

SECTION 4.7. Vacancies. Subject to the provisions of these bylaws with respect to the filling of vacancies caused by the removal of directors by the members, a vacancy occurring in the board shall be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term, provided, however, that in the event the vacancy is not filled by the board within sixty (60) 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 in respect to nominations, but otherwise in compliance with voting procedures and districts and regions as set forth in Section 4.5. However, any successor, whether chosen by the Board or the members, must reside in the same district as the vacant directorship and have the same qualifications for office as set forth in Section 4.3.²³

SECTION 4.8. Compensation. Directors shall not receive any salary for their services as directors except that by resolution of the board a per diem fee and actual expenses of attendance, if any, may be allowed for attendance at each meeting of the board and other meetings. Medical insurance will also be provided. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director 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 such director or 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, nieces by blood, by marriage or by adoption, and spouses of any of the foregoing.²⁴

ARTICLE V

MEETING OF DIRECTORS

SECTION 5.1. Regular Meetings. A regular meeting of the board may be held without notice, immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board shall also be held monthly at such time and place as designated by the board. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

Regular or special meetings may be attended through the use of conference telephone or other communications equipment by means of which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the persons so participating.²⁵

SECTION 5.2. Special Meetings. Special meetings of the board may be called by the President or by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place for the holding of the meeting.²⁶

SECTION 5.3. Notice of Directors' Meetings. Written notice of the time, place, or telecommunications conference event and purpose of a special meeting of the board shall be delivered to each director not less than five days previous thereto either personally or by mail, by or at the direction of Secretary, by the President or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on the records of the Cooperative, with postage thereon prepaid.²⁷

SECTION 5.4. Quorum. A majority of the board shall constitute a quorum, provided, that if less than such majority of the directors are present at said meeting, a majority of the directors present may adjourn the meeting from time to time; they shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board, except as otherwise provided in these by-laws.²⁸

ARTICLE VI

OFFICERS

SECTION 6.1. 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.²⁹

SECTION 6.2. 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 immediately 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.³⁰

SECTION 6.3. Removal of Officers and Agents by Directors. 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 two hundred members, 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 an 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 shall be considered and voted upon at the next meeting of the members.

SECTION 6.4. President. The President shall:

- (a) be the principal executive officer of the Cooperative, and unless otherwise determined by the members of the board,
- (b) sign, with the Secretary, the issues of which shall have been authorized by the board or the members, and may sign any deeds, mortgages, deeds 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 by-laws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed; and³¹
- (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 6.5. 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 6.6. Secretary. The Secretary shall be responsible for:³²

- (a) keeping the minutes of the meetings of the members and of the board in one or more books provided for that purpose,
- (b) seeing that all notices are duly given in accordance with these by-laws or as required by law;
- (c) the safekeeping of the corporate records³³
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the Articles of Incorporation and by-laws 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, forward a copy of these by-laws and of all amendments thereto each member; and³⁴
- (f) in general perform 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.³⁵

SECTION 6.7. Treasurer. The Treasurer shall be responsible for:³⁶

- (a) having custody of and being responsible for all funds and securities of the Cooperative.³⁷
- (b) the receipt of and the issuance of receipt for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative in such bank: or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) the general performance of 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.
- (d) Notwithstanding the duties, responsibilities and authorities of the secretary and of the treasurer provided in sections 6.6 and 6.7, the Board of Directors by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officers duties to the General Manager and employees of the Cooperative. Upon this delegation that officer shall be released from such duties, responsibilities and authority.³⁸

SECTION 6.8. General Manager. The board may appoint a general manager who may be, but who shall not be required to be, a member of the Cooperative. The general manager shall perform such duties and shall exercise such authority as the board may from time to time vest in him.³⁹

SECTION 6.9. Bonds of Officer. The Treasurer and any other officer or agent of the Cooperative charged with responsibility for the custody of any of the 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.⁴⁰

SECTION 6.10. Compensation: Indemnification. The compensation, if any, of any officer, agent or employee who is also a director or close. relative of a director shall be determined as provided in Article IV Section 7 of these by-laws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefore approved by the Board of Directors. The Cooperative shall indemnify present and former directors, officers, including the General Manager and agents against actual expenses necessarily incurred in defense of any proceeding in which he is a party because he is or was such director, officer, or agent and in which he is not adjudged liable for negligence or misconduct in the performance of duty.⁴¹

SECTION 6.11. 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 audit period. For the purpose of this section, the audit period is from Jan. 1 through Dec. 31. Such reports shall set forth conditions of the Cooperative at the close of such audit period.⁴²

ARTICLE VII

NON-PROFIT OPERATION

SECTION 7.1. Interest of Dividends on Capital Prohibited. The cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefits of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

SECTION 7.2. 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. Purchasers of the Cooperative's services at wholesale or otherwise for resale shall not be eligible for patronage credits with respect to such services. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit 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 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, all 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 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 to 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 shall 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 amount for capital.⁴³

All other non operating income received by the Cooperative 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 in whole or part allocated to a reserve for future losses (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.⁴⁴

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 the patrons' accounts may be retired in full or in part, pursuant to policies of general application as adopted by the Board.⁴⁵

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 part of such patron's premises served by the Cooperative unless the board, acting under the policies of general application, shall determine otherwise.

Notwithstanding any other provision of these by-laws, the board at its discretion, shall have the power at any time upon the death of any patron who was a natural person, if the legal representatives 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 by-laws, 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. The cessation of the existence of the patron which was a non-natural person shall not entitle it to immediate payment of capital credits, rather, such credits shall continue in a normal rotation, assigned to such persons or entities who shall be its successor of interest.⁴⁶

The Cooperative, before retiring any capital credited to any patrons account, shall deduct therefrom any amount owing by such patron to the Cooperative, together with interest thereon at the legal rate of interest on judgments in the state of North Dakota in effect when such amount became overdue. At all times while the Cooperative continues to have possession of the patronage equities of its membership, the cooperative shall have a possessory, a security interest, annual right of set off and the present value of such equity against any debts owed by Member to the Cooperative before making any distribution thereof to a Member, assignee, or heirs.⁴⁷

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and by-laws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and patrons are bound by such contract, as fully as though each patron had individually signed a separated instrument containing such terms 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, lease or otherwise dispose of all or any portion of its property in excess of ten percent of its total assets unless such sale, lease or other disposition is:⁴⁸

- (a) Authorized at a meeting of the then-total members of the cooperative by the affirmative vote cast in person, without proxies, of at least eighty-five (85) percent of the total members of the cooperative, and⁴⁹
- (b) Preceded by a notice of meeting at which such sale, lease or other disposition is to be voted on.⁵⁰

Notwithstanding the provisions of Article XIV of these by-laws, this Article VIII may only be amended as provided in paragraph VIII (a) of this Article.⁵¹

ARTICLE IX

PLEDGING OF PROPERTY

The Board of Directors, 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 or all the property, assets, rights, privileges, licenses, franchise 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.

Any other pledge or encumbrances of the assets of the cooperative shall be approved by the affirmative majority of votes cast in person at a meeting of the members, delegating to the Board the power and authority to borrow money from any source and in such amounts as the Board present to the members in pursuit of the Cooperative's business purposes. Included in this right to borrow monies shall be the right to mortgage or otherwise pledge or encumber any and all of the cooperative's property or assets as security therefore.⁵²

ARTICLE X

MERGERS OR CONSOLIDATIONS

The Cooperative may become a party to a merger with the corporations in which it owns, either directly or through its holding corporation, one hundred percent interest in the corporation. The Cooperative must be the surviving association of the merger with these companies. A vote on this issue may be conducted at the regular annual meeting or a special meeting of the members called to vote on the merger. A merger with these corporations must be authorized by an affirmative vote of at least two-thirds of the cooperative's members voting on that issue. The vote to affirm these mergers shall be conducted by combination of mail vote and voting at a meeting of the members. To be counted, a mailed ballot must be received by 11 o'clock a.m. on the date of the meeting.

Notice of the election shall be given at least thirty days, but no more than forty-five days before the election. The notice shall contain a summary of the written plan of merger. This full plan of merger shall be available for inspection by members at the cooperative headquarters. The notice shall also set forth the agenda for the meeting which shall allow equal time for those in favor for or against the merger.

All other mergers or consolidations shall be governed by the provisions of Article VIII.⁵³

ARTICLE XI

SEAL

The Corporate Seal of the Cooperative shall have inscribed thereon the name of the cooperative and the words "Corporate Seal, North Dakota".⁵⁴

ARTICLE XII

FINANCIAL TRANSACTION

SECTION 12.1. Contracts. Except as otherwise provided in these by-laws, the board may authorize any office or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on the behalf of the Cooperative, and such authority may be general or confined to specific instances.

SECTION 12.2. 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 12.3. 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.⁵⁵

SECTION 12.4. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America or their authorized designee not less than ninety (90) days prior to the date upon which any proposed change in the monthly rates charged by the Cooperative for telephone service becomes effective.⁵⁶

SECTION 12.5. 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 XIII

MISCELLANEOUS

SECTION 13.1. Membership in Other Organizations. The Cooperative may become a member or purchase stock in other profit or nonprofit organizations, associations, partnerships or joint ventures when the Board finds that the general or long-term interests of its membership will be served by such investments or participation.⁵⁷

SECTION 13.2. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these by-laws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director 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 13.3. Policies. Rules and Regulations. The board shall have power to make and adopt such policies, rules and regulations, not inconsistent with the law, the Articles of Incorporation or these by-laws, as it may deem advisable for the management of the business and affairs of the Cooperative.⁵⁸

SECTION 13.4. 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 body, 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 or their authorized designee. The board shall also cause to be made by a certified public accountant a full and complete annual audit or 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.⁵⁹

SECTION 13.5. Area Coverage. The Cooperative shall furnish adequate telephone and other services to the widest practicable number of persons in rural areas, and, subject to applicable laws, rules, and orders of regulatory bodies, shall, in the performance of such obligation, use the funds in the Special Construction Account and such other funds as may from time to time be available to it, either from surplus earning, from additional loans made to the Cooperative by the Government, from increased capital derived through the sale of additional memberships, or otherwise as the Cooperative may elect, to extend service to all persons (hereinafter called "applicants") in rural areas in the Cooperative's application for the loan, and which map, as revised by agreement between the Cooperative and the Administrator is incorporated herein by reference thereto who shall (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of service.⁶⁰

The board shall make diligent effort to see that telephone service is extended to all unserved persons within the Cooperative's service area who (a) desire such service and (b) meet all reasonable requirements established by the Cooperative as a condition of such service.⁶¹

ARTICLE XIV

AMENDMENTS

Sections 4.2.1, 4.2.2, 4.4, 4.5, 4.6(c), and 4.6(e) of Article IV and the first sentence of this Article XIV of these bylaws may only be altered, amended, or repealed by vote of two-thirds of the members present at a meeting of the members from the following exchanges: Jud, Dickey, Litchville, Marion, Kathryn, Verona, Fort Ransom, Fredonia, Merricourt, Crete, Milnor, Nelvik, Venturia, Forbes, Fullerton and Guelph at any regular or special meeting, provided the Notice of such meeting shall have contained a written summary statement of the proposed alteration, amendment or repeal. All other bylaws may be altered, amended, or repealed by a majority of members present at any regular or special meeting, provided the Notice of such meeting shall have contained a written summary statement of the proposed amendment, alteration, or repeal.⁶²

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1. Amended October 7, 2003.
 2. Amended October 7, 2003.
 3. Amended October 7, 2003.
 4. Amended October 7, 2003.

5. Amended October 7, 2003.
6. Amended August 30, 1989.
7. Amended August 30, 1989.
8. Amended August 30, 1989.
9. Amended August 30, 1989.
10. Amended August 30, 1989.
11. Amended July 30, 1958. Amended September 26, 1984. Amended August 30, 1989.
12. Amended March 28, 1973. Amended September 26, 1984. Amended August 30, 1989.
13. Amended March 28, 1973.
14. Amended September 26, 1984. Amended August 30, 1989.

15. Amended February 28, 1961. Amended September 26, 1984. Amended October 7, 2003.
16. Amended August 30, 1989.
17. Amended May 27, 1987.
18. Amended August 30, 1989.
19. Amended August 30, 1989.
20. Amended March 28, 1973. Amended November 20, 1983. Amended September 26, 1984. Amended May 27, 1987. Amended August 30, 1989. Amended October 7, 2003.
21. Amended October 7, 2003.
22. Amended October 7, 2003.
23. Amended October 7, 2003; 4.3 amended at 2010 annual meeting. Sections 4.1 through 4.7 amended January 1, 2012 and amended October 16, 2014.
24. Amended July 29, 1964. Amended December 6, 1966. Amended December 28, 1966. Amended January 24, 1968. Amended March 28, 1973. Amended January 1, 1974. Amended May 28, 1975. Amended January 1, 1978. Amended January 1, 1979. Amended January 21, 1981. Amended September 26, 1984.
25. Amended March 28, 1973. Amended October 7, 2003
26. Amended March 28, 1973.
27. Amended October 7, 2003.
28. Amended March 28, 1973. Amended October 7, 2003.
29. Amended August 30, 1989.
30. Amended August March 28, 1973.
31. Amended August 30, 1989.
32. Amended March 28, 1973. Amended August 30, 1989.
33. Amended October 7, 2003.

34. Amended October 7,2003
35. Amended August 30, 1989.
36. Amended August 30, 1989.
37. Amended March 28, 1973.
38. Amended October 7, 2003.
39. Amended August 30, 1989.
40. Amended March 28, 1973.
41. Amended September 26,1984.
42. Amended March 28, 1973. Amended November 21, 1984.
43. Amended March 28, 1973. Amended November 30, 1983. Amended September 26, 1984.
Amended November 3, 1987. Amended October 7, 2003.
44. Amended August 30, 1989.
45. Amended August 30, 1989.
46. Amended October 7, 2003.
47. Amended October 7, 2003.
48. Amended October 7, 2003.
49. Amended October 7, 2003.
50. Amended October 7, 2003.
51. Amended October 7, 2003.
52. Amended October 7, 2003.
53. Amended October 7, 2003.
54. Amended March 28, 1973.
55. Amended March 28, 1973.

- 56. Amended October 7, 2003
- 57. Amended March 28, 1973. Amended August 30, 1989.
- 58. Amended March 28, 1973.
- 59. Amended March 28, 1973. Amended October 7, 2003.
- 60. Amended August 30, 1989.
- 61. Amended March 28, 1973.
- 62. Amended August 30, 1989. Amended October 17, 1989. Amended January 1, 2012.
Amended October 16, 2014.