

BYLAWS
of
TRI-COUNTY COMMUNICATIONS COOPERATIVE, INC.

Amended effective as of April 2, 2019

ARTICLE I - MEMBERSHIP

SECTION 1.1 Requirements for Membership. Any person, firm, association, corporation, partnership, limited liability company or other business entity or municipal body shall become a member of **Tri-County Communications Cooperative, Inc.**, a Wisconsin membership cooperative (hereinafter called the “*Cooperative*”), upon receipt of retail communications services or products from the Cooperative at a premises within its established service area and the submission of a membership application in the form prescribed by the Board of Directors (the “*Board*”). By acceptance or use of any such services provided by the Cooperative, each member consents and agrees:

- (a) as an end-user of such services, to purchase communications services or products from the Cooperative in accordance with the rates, terms and conditions specified by the Cooperative from time to time. It is expressly understood that amounts paid for services or products in excess of the cost of the service or product are furnished as capital and each member shall be credited with the capital furnished as provided in these Bylaws. Each member shall pay the above amounts owed by such member to the Cooperative as and when the same become due and payable;
- (b) to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative and any rules, regulations or policies adopted by the Board; and
- (c) to pay such membership, connection, re-connection, security, facilities extension and construction fees and deposits as may be established or required by any rule, regulation or policy adopted by the Board.

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. The Board will determine under rules of general application the types and amounts of revenues streams and the types and amounts of patronage required for membership in the Cooperative. No person, firm, association, corporation, limited liability company, partnership or other business entity or municipal body that sells services similar to or the same as the services sold by the Cooperative may become a member of the Cooperative.

Notwithstanding anything to the contrary in these Bylaws, no person who, or entity which, subscribes for services from the Cooperative for a period of less than six (6) months shall be entitled to status as a member or otherwise be entitled to membership in the Cooperative. The Board shall have the power to unilaterally determine the intention of the subscriber under this

paragraph, which determination shall be in the Board's sole discretion.

SECTION 1.2 Membership Records. The Cooperative shall maintain a record of all members of the Cooperative.

SECTION 1.3 Joint Membership. Any two or more persons may be accepted for joint membership upon application to the Cooperative, subject to their compliance with the requirements set forth in these Bylaws or in any rules or policies established by the Board from time to time. A joint membership is considered one membership for purposes of these Bylaws. Application for membership by any person who is married shall be deemed a joint membership application by such applicant and his or her spouse, unless the applicant otherwise directs in writing, and acceptance of such membership unless otherwise designated, shall be deemed an acceptance of such married spouses as joint members. The term "member" as used in these Bylaws shall be deemed to include an individual, an entity, married spouses or any other qualifying parties 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. Joint members are jointly and severally liable for complying with the Cooperative's Articles of Incorporation, Bylaws and its rules, regulations and policies as adopted by the Board. The following provisions shall apply to joint memberships:

- (a) The presence of one or more joint members at a meeting constitutes the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (b) Each joint membership shall be entitled to one vote on any matters to be voted on by the members. The vote of any one joint member separately or together with other joint members shall constitute one joint vote. Any difference in opinion between the holders of a joint membership may only be resolved by those joint members and not the Cooperative. If the joint members cannot resolve their differences of opinion, they shall be deemed to have abstained from voting;
- (c) A waiver of notice signed by one joint member shall constitute waiver of notice for all joint members;
- (d) Notice to any one joint member shall constitute notice to all joint members;
- (e) Expulsion of any joint member shall terminate the joint membership;
- (f) Withdrawal of any joint member shall terminate the joint membership;
- (g) Any joint member, but not more than one, may be elected or appointed as an officer or director of the Cooperative, provided that all such joint members meet the qualifications for such office; and
- (h) Upon the death of any joint member, such joint membership shall thereafter be held solely by the survivor(s). The estate of the deceased joint member shall not be released from any debts due the Cooperative. The surviving member(s) shall

be responsible for notifying the Cooperative of any requested change in membership status.

SECTION 1.4 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 of all the directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, or any rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes such member liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by a majority vote of the Board or by affirmative vote of a majority of the members at any annual or special meeting. A member, who for a period of thirty (30) days after service is available to the member, has (i) not permitted the installation of service, or (ii) ceased to purchase service from the Cooperative, may have their membership cancelled by resolution of the Board. Each member shall also pay all amounts owed by the member to the Cooperative as and when the same shall become due and payable. In the event a member fails to pay such amounts due and owing to the Cooperative, or for other good cause or violation of the requirements of membership, the Board may, upon ten (10) days written notice to the member, terminate a member's membership in the Cooperative, unless the member pays all amounts due or cures any other such violation within said ten (10) day period. To the extent any member owes money to the Cooperative, regardless of whether the member's membership has been terminated, any amounts which become due and payable from the Cooperative to the member may first be applied against any outstanding balance owed by the member to the Cooperative.
- (b) Upon the withdrawal, death, cessation of existence 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 the member's estate, successors, assigns, or personal representative from any debts due the Cooperative, nor do unpaid bills release members from their obligations under these Bylaws or rules and regulations approved by the Board.

ARTICLE II - RIGHTS AND LIABILITIES OF THE MEMBERS AND THE COOPERATIVE

SECTION 2.1 Property Interest of Members upon Dissolution. Upon dissolution of the Cooperative, after: (a) all debts and liabilities of the Cooperative shall have been paid; and (b) all capital furnished through patronage shall be retired as provided in these Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members of the

Cooperative in the proportion which the aggregate patronage of each bears to the total patronage of all such members at the time of dissolution, unless otherwise provided by law.

SECTION 2.2 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.

SECTION 2.3 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 member.

SECTION 2.4 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 services shall be deemed to have consented to the reasonable use of their real property to construct, operate, maintain, replace or enlarge 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, leased or controlled by said member for the furnishing of communication services to the 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.

ARTICLE III - MEETINGS OF MEMBERS

SECTION 3.1 Annual Meeting. The annual meeting of the members shall be held once each year, not later than 120 days following January 1st of each year, in the State of Wisconsin at such time and place as shall be determined by the Board and shall be so designated in the notice of meeting. The annual meeting shall be for the purpose of electing directors, 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.

SECTION 3.2 Special Meetings. Special meetings of the members may be called by resolution of the Board, upon a written request signed by (i) any three (3) Board members, (ii) the President, or (iii) 200 members or ten percent (10%) of all the members, whichever shall be the 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 3.3 Notice of Members; Meetings; and Postponement of Meetings. Written or printed notice stating the place, 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 seven (7) days before

the date of the meeting, either personally, by mail, or electronically if a member authorizes such electronic service, 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 the member's address as it appears on the records of the Cooperative, with postage prepaid. If the members are notified electronically, such notice shall be deemed to be delivered at the time sent electronically by the Cooperative to the member's electronic mail address as it appears on the records of the Cooperative. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting, so long as the above procedures are followed. In the event of inclement weather or the occurrence of a catastrophic event, the meeting of the members may be postponed by the President, Vice President or the Board. Notice of the adjourned meeting shall be given by the President in any media of general circulation or broadcast serving the area.

SECTION 3.4 Quorum. The lesser of fifty (50) members or ten percent (10%) of the total number of members, present and in person, 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 without further notice. The Cooperative shall maintain a list of the members present at any meeting for as long as such records are kept in the normal course of business.

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. Husbands and wives who hold a joint membership shall be entitled to one vote between the two of them. Any difference in opinion between the holders of a joint interest may only be resolved by those joint holders and not the Cooperative. If the joint holders cannot resolve their difference of opinion, they shall be deemed to have abstained from voting. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation, or these Bylaws.

SECTION 3.6 Electronic Voting. Members may also vote by electronic means, including, but not limited to, voting on the election or removal of directors, subject to applicable laws, the Articles of Incorporation, these Bylaws, and any procedures for electronic voting adopted by the Board. A vote cast by electronic means shall have the same effect as a vote cast by signed ballot or by a member present at a meeting.

SECTION 3.7 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 of the mailing, whether electronically or otherwise, 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, trustees, and committees.
5. Election of Board members.
6. Unfinished business.
7. New business.
8. Adjournment.

Notwithstanding the foregoing, the Board or the members themselves may, from time to time, establish a different order of business for the purposes of assuring the earlier consideration of an action upon any item of business, the transaction of which is necessary or desirable in advance of any other item of business; provided that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established. The decision of the President, or the President's designee, on meeting procedure and parliamentary procedure shall be binding on all concerned.

ARTICLE IV - DIRECTORS

SECTION 4.1 General Powers. The business and affairs of the Cooperative shall be managed by a board of directors equal in number to the geographic districts provided for in Section 4.2 of this Article. The Board 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.

SECTION 4.2 Election Districts, Tenure and Election. The division of the total territory served by the Cooperative into geographic districts shall be determined by the Board, but may be changed by the members at any members' meeting. One director shall be selected from each of the seven (7) geographic districts of the Cooperative. The terms of directors shall be staggered so that no more than two (2) directors are elected in any year unless vacancies occur. One director will be elected from a district when the term of the director expires or a vacancy occurs. All directors will serve four (4) year terms except in the event of resignation, removal or other vacancy. In the event of a vacancy before the expiration of the normal term, the replacement shall serve the remaining term of the person who they replaced on the Board. Voting for any director shall be confined to members from within the geographic district from which such director is to be elected.

SECTION 4.3 Qualifications. Any member shall be eligible to be nominated, elected and remain a director of the Cooperative provided the member:

- (a) is a member in good standing and bona fide resident of the geographic district designated by these Bylaws or as amended by the Board, from time to time; or
- (b) is not an employee or former employee of the Cooperative; or
- (c) is not in any way employed by or financially interested in any competing enterprise, or a business engaged in selling services which are similar to those Services provided to the members of the Cooperative, or anyone who creates,

owns, constructs or maintains a business or facilities which provide services similar to the Services provided by the Cooperative (other than another cooperative, nonprofit, business furthering rural communication services similar to those provided by the Cooperative); or

- (d) does not have a "Close Family Relative" who is, or becomes, an employee of the Cooperative. For purposes of this section, "Close Family Relative" shall be defined as grandparents, parents, husband, wife, brothers, sisters, children, grandchildren, and spouses of the same. Provided, however, that the Board, by a two-thirds vote of the remaining Board members, may make an exception when the Board weighs the benefit to the Cooperative of having a particular Board member serve when compared with the potential of abuse, conflict, or influence created by the position on the Board.

Upon establishment of the fact that a Board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such Board member 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, not less than forty-five (45) days before the date set for a meeting of the members for the election of a director, a Nominating Committee consisting of the same number of members as there are geographic districts of the Cooperative, with one member selected by the Board from each of the geographic districts represented by the directors. The terms of the members appointed to the Nominating Committee shall be staggered two (2) year terms. The Committee shall prepare and post at the principal offices of the Cooperative at least thirty (30) days before the meeting of the members a list of nominations for directors, and the Nominating Committee shall strive to list at least two (2) nominees from each geographic district from which a director is to be elected for that year. Twenty-five (25) or more members may make other nominations, in writing, over their signatures not less than twenty-five (25) days prior to the meeting of the membership and the Secretary shall post the same at the same place where the list of nominations made by the Committee is posted. Nominations made after the above-stated deadline will not be considered. Immediately after the posting of the nominations by the Nominating Committee, but not later than fifteen (15) days before the date of the annual meeting, the Secretary shall mail (or send electronically if authorized by the member or as otherwise provided in these Bylaws) a copy of such nominations to each member in each district from which a director is to be elected with the notice of the annual meeting.

SECTION 4.5 Election of Directors. A ballot shall be prepared for each district from which a director is to be elected listing separately and alphabetically the names of the nominees nominated by the Nominating Committee and/or by petition. Such ballot shall be mailed or electronically delivered to each member in each district from which a director is to be elected with the notice of the annual meeting. Members from each district voting for director may cast such ballot (i) by mail to the principal offices of the Cooperative; (ii) in a ballot box at the principal offices of the Cooperative; or (iii) by electronic transmission via a secure means provided by the Cooperative by which the Cooperative is able to authenticate that it is a member

casting a vote. Only those ballots so received or deposited at the principal offices of the Cooperative on or before 3:00 P.M. on the day before the annual meeting shall be counted or tabulated by inspectors of election appointed by the Board to certify the results of the election. The results from such counting and tabulating shall be reported at the annual meeting and upon approval thereof by the members present, the results of such ballots so reported shall constitute an election at said meeting. The candidate from each district receiving the highest number of votes shall be declared elected. Notwithstanding the foregoing, in the event of an uncontested director election, the Board, in its reasonable discretion, may opt to not distribute ballots for such election, in which event the uncontested candidate shall be declared elected upon approval thereof by the members present at the annual meeting.

Notwithstanding anything in this section, failure to comply with any of the provisions of this section shall not affect, in any manner whatsoever, the validity of any election of directors.

SECTION 4.6 Removal of Board Member by Members and Resignations. 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 ten percent (10%) of the members, and 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 (10) 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/her 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. 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. The notice for any meeting called under this Section shall comply with the notice requirements set forth in Section 3.3 hereof. A director may resign at any time by written notice delivered to the Board, the President or the Secretary. A resignation is effective when the notice is delivered unless the notice specifies a future date.

SECTION 4.7 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 on the Board shall be filled by the affirmative vote of a majority of the remaining Board members (either by voice vote or, if requested by any Board member, by secret ballot) 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 the next annual meeting of the members without compliance with the foregoing provisions in respect to nominations.

SECTION 4.8 Compensation. The Board shall not receive any salary for their services as directors, except that members of the Board may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences and training programs, or performing committee assignments when authorized by the Board. The Board and Cooperative employees may participate in any of the various benefits provided by the Cooperative as approved by the resolution of 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.

ARTICLE V - MEETINGS 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 the Board may provide by resolution; provided, however, that the Board may determine to cancel a regular meeting in its discretion. Such regular meeting may be held without notice other than such resolution fixing the time and place thereof. For good cause, the President may change the date, time or place of a regular Board meeting. All directors are entitled to receive notice of a President's change in a regular Board meeting at least three (3) days before the changed Board meeting. Regular or special meetings may be conducted through the use of conference telephone or other electronic communications 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 persons so participating.

SECTION 5.2 Special Meetings. Special meetings of the Board may be called by the President or by any three (3) 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 holding of the meeting.

SECTION 5.3 Notice of Directors' Meetings. Written notice of the time, place and purpose of any special meeting of the Board shall be delivered to each director not less than twenty-four (24) hours prior to the scheduled meeting, either personally, by mail or electronically. Notice of the meeting shall be given by the Secretary, the President, or the Board members calling the meeting. If mailed, such notice shall be deemed to have been delivered one (1) business day after the date the notice is deposited in the United States mail addressed to the Board member at his or her address as it appears on the records of the Cooperative.

SECTION 5.4 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 present 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. The act of a majority of the Board members present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these Bylaws.

SECTION 5.5 Emergency Board Actions. Unless otherwise prohibited by law, Board actions may be taken without a meeting and without vote if unanimous consent of the Board is obtained, in writing, setting forth the action taken and the document describing such action is signed by all Board members entitled to vote. It is intended that this provision only be used in emergency situations where a normal meeting is impossible or difficult and pressing business of the Cooperative requires immediate action or disposition by the Board of Directors.

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.

SECTION 6.2 Election and Term of Office. The officers shall be elected annually by voice vote or if requested by any Board member, by secret ballot, by 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 or if said meeting is not held, 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 or her successor shall have been elected and shall have qualified. Except as otherwise provided in these Bylaws, the vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 6.3 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 the Board's judgment as determined by a vote of a majority of the Board members excluding the vote of the Board member whose removal is sought, the best interests of the Cooperative will be served thereby. The members may remove any officer of the Board by following the same procedure for member removal of any Board member as provided in these Bylaws. In the event the Board does not remove such officer, the question of his or her removal may be considered and voted upon at the next meeting of the members.

SECTION 6.4 President. The President shall be the principal executive officer of the Cooperative and, unless otherwise determined by the Board, shall preside at all meetings of the members and the Board; sign any contracts or other instruments authorized by the Board to be executed; and 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 the President's 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 or her by the Board.

SECTION 6.6 Secretary. The Secretary shall be responsible for supervising the keeping of minutes of the meetings of the members and of the Board in books provided for that purpose; seeing that all notices are duly given in accordance with these Bylaws or as required by law; and, 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 or her by the Board.

SECTION 6.7 Treasurer. The Treasurer shall be responsible for 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 or her by the Board.

SECTION 6.8 Chief Executive Officer. The Board shall hire a Chief Executive Officer (CEO) who may be, but who shall not be required to be, a member of the Cooperative. The CEO shall perform such duties and shall exercise such authority as the Board may from time to time vest in him or her. The CEO shall be in charge of and supervise the day to day operations of the Cooperative.

SECTION 6.9 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 may 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 6.10 Budget Review; Compensation. The Board shall review, at least annually, the budget of the Cooperative and shall establish the compensation of the Chief Executive Officer as the Board determines, from time to time. The powers, duties, and compensation of officers, agents and employees shall be fixed or approved 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 6.11 Executive Committee. The Board may utilize the services of an Executive Committee consisting of the officers (president, vice-president, secretary, treasurer) and the Chief Executive Officer. The Executive Committee may undertake studies in order to make recommendations to the full Board or, may be specifically empowered by the Board to undertake certain activities as deemed appropriate by the Board, from time to time.

SECTION 6.12 Reports. The Chief Executive Officer of the Cooperative shall assist the other Officers of the Cooperative with preparing the appropriate reports for the annual meeting of the members 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 6.13 Indemnification of Directors and Officers. The Cooperative shall indemnify any person who was or is a party, or is threatened or made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigation (other than an action by, or in the right of the Cooperative) by reason of the fact that such person is or was a Board member or officer of the Cooperative or who is or was serving at the request of the Cooperative as a board member, officer, or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), adjustments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful.

ARTICLE VII - NON-PROFIT OPERATION

For this Article VII, the word "member" shall also be interpreted as meaning a "patron" as that term is used by the Internal Revenue Service as it relates to the allocation and payment of capital credits. The term "patronage" and "capital credit" shall also mean the same thing in reference to payment of excess revenues to members.

SECTION 7.1 Interest or Dividends on Capital Prohibited. The Cooperative shall at all times be operated on a Cooperative, nonprofit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members or patrons.

SECTION 7.2 Patronage Capital in Connection with Furnishing Services. In the furnishing of Services the Cooperative's operations shall be so conducted that all members will, through their patronage, furnish capital for the Cooperative. 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 members for all amounts received and receivable from the furnishing of Services in excess of operating costs and expenses properly chargeable against the furnishing of such 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 members as capital. The Cooperative is obligated to pay by credits to a capital account for each member 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 member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his, her or its account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

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 members' accounts may be retired in full or in part. Any such retirement of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being first retired.

Capital credited to the account of each member 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 member's premises served by the

Cooperative unless the Board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these Bylaws, the Board in its sole discretion, shall have the power at any time upon the death of any member who was a natural person, if the legal representatives of his or her estate shall request in writing that the capital credited to any such member 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 member immediately upon such terms and conditions as the Board, acting under policies of general application, and legal representatives of such member's estate shall agree upon; provided, however, that (i) the financial condition of the Cooperative will not be impaired thereby; (ii) the aggregate amount retired in any one year shall not exceed thirty percent (30%) of capital to be retired; and (iii) if, acting under policies of general application, the amount or percentage mentioned above is not sufficient to retire the capital credited to any such member or members, such member or members shall have the capital credited to them retired in the next succeeding year before any other retirements are made in such succeeding year.

Consistent with these Bylaws, the allocation of capital credits is in the sole discretion of the Board and the Board shall determine the manner, method and timing of allocating capital credits. As may be deemed by the Board in its sole discretion, to be reasonable and fair, the Cooperative may allocate capital credits to the classes of similarly situated members under different manners, methods and timing, provided the Cooperative allocates capital credits to similarly situated members under the same manner, method and timing. The Cooperative may use or invest un-retired capital credits as determined by the Board.

SECTION 7.3 Presumed Consent By Members. The members of the Cooperative, by dealing with the Cooperative and becoming a member of 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 member, and both the Cooperative and the members are bound by such contract as fully as though each member 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 member of the Cooperative by posting in a conspicuous place in the Cooperative's office. Accordingly, the Cooperative is not responsible for any changes to a member's status, whether a person, individual or otherwise, unless the member by the authorized representative contacts the Cooperative and provides such information to the Cooperative. It shall be a member's obligation to notify the Cooperative in the event of a divorce or, for a corporation or other entity, any dissolution or change of name. The Cooperative shall not be liable to the member, or the member's heirs, successors or assigns, unless the Cooperative receives prompt notice from the member, or the member's authorized agent, of any change of membership status.

SECTION 7.4 Non-Operating Margins. Other than Operating Margins¹, funds and amounts received by the Cooperative that exceed the Cooperative's costs and expenses ("Non-Operating Margins") may be, as determined by the Board:

1. Allocated as Capital Credits to members in the same manner as the Cooperative allocates Operating Margins to members;
2. Retained or used by the Cooperative as permanent, non-allocated retained capital;
3. Used to pay or offset any Cooperative cost, expense or loss; or
4. Used in the Cooperative's business as otherwise determined or approved by the Board.

The Board may determine, in its sole discretion, what funds and amounts received from nonmembers constitute Non-Operating Margins. Other telecommunications carriers, cable television programmers or internet providers are not members for purposes of allocating capital credits. Exchange and interexchange carriers, cable television program suppliers or internet suppliers who do business with the Cooperative in the provision of communications services are not members by virtue of division of revenue contracts and, therefore, cannot receive Capital Credits.

SECTION 7.5 Lien and Set-off. The Cooperative shall have a continuing lien against the patronage capital allocated and credited to any member for any indebtedness due and owing from such member to the Cooperative, and such indebtedness to the extent of such capital so allocated and credited upon which the Cooperative has a lien shall not be extinguished by the bankruptcy of said member or lapse of time, but shall be set off against any capital allocated and credited to said member and any retirement thereof made hereunder to said patron or to his/her estate or to his/her heirs or surviving joint member.

SECTION 7.6 Forfeiture of Unclaimed Funds. The Cooperative may effect the forfeiture to the Cooperative of all unclaimed funds, including all forms of distributions of capital credits and unclaimed stock, deposits, and dividends, and shall do the following in connection therewith:

- (a) No earlier than three (3) years, and no later than five (5) years, after the funds are first made available to the owners, the Board shall declare the funds forfeited to the Cooperative unless claimed by the date specified in paragraph (b).

¹Operating Margins or Operating Income is traditionally the money made from the primary businesses of the Cooperative, those being communications, cable television, internet and information systems services, or any other such services as deemed appropriate by the Board of Directors, from time to time. Non-Operating Margins would be generated from business other than the primary businesses of the Cooperative.

- (b) After the declaration of forfeiture under paragraph (a), the Cooperative shall give notice that states that the funds shall be forfeited if not claimed by the specified date, which date shall be a business day at least sixty (60) days after the date of mailing of the notice.
- (c) The notice under paragraph (b) shall be mailed to the last known address of each owner and shall also be published as a Class I notice on or before the date of mailing in a newspaper published in the municipality containing the service area of the Cooperative.
- (d) The Cooperative shall dedicate any funds remaining unclaimed after the date specified in paragraph (b) to educational purposes, limited to providing scholarships or loans to students, or to charitable purposes, as the Board determines, within one (1) year after the date the funds are declared forfeited under paragraph (a). Educational purposes shall not include political purposes as defined in Section 11.01(16), Wisconsin Statutes, 1985-1986.

At any time subsequent to any forfeiture under this Bylaw, the owner of forfeited funds may submit a claim to the Board and if the Board determines that the person owned the funds at the time of the forfeiture, it shall refund the funds to the person. The Board may establish a reasonable reserve for payment of claims made to the Board after forfeiture.

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 a meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, 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 or 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 Wisconsin."

ARTICLE X - FINANCIAL TRANSACTIONS

SECTION 10.1 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 conformed to specific instances.

SECTION 10.2 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. Any procedures for authorizing electronic funds transfer shall be approved by the Board and supervised by the Chief Executive Officer.

SECTION 10.3 Deposits. All funds 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 10.4 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 11.1 Membership in Other Organizations. The Cooperative may become a member or purchase stock in other profit or nonprofit organizations, associations, partnerships, joint ventures, limited liability companies, limited liability partnerships, or other entities, when the Board finds that the general or long-term interests of the membership and the Cooperative will be served by such investment or participation. To the extent that any loan documents the Cooperative shall have, from time to time, require approval from the United States Department of Agriculture Rural Utility Service (RUS), the Board shall notify and obtain the approval from RUS of such interest, investment or participation.

SECTION 11.2 Waiver of Notice. Any member or Board member may waive in writing any notice of a 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 where 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 11.3 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 the Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 11.4 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 Utility Service. The Board shall also cause a full and complete annual audit to be performed by a certified public accountant of the financial statements of the Cooperative. The results of such audit shall be reported to the members at the next annual meeting following the audit.

SECTION 11.5 Business Offices. This Cooperative shall maintain two offices, one each in the villages of Strum and Independence. The personnel and money expended in the operation of each office shall be as near equal as possible. This Bylaw cannot be changed, except by an eight-five percent (85%) favorable vote of the membership at any regular, annual or special membership meeting after proper notice has been given and at which a quorum is present.

SECTION 11.6 Type of Business to be Conducted. This Cooperative may engage in any business determined by the Board of Directors in its sole discretion to be beneficial to the general, long-term interests of the Cooperative and its membership.

SECTION 11.7 Indemnification. If an individual incurs expenses, including attorney fees, costs, fines, forfeitures, money judgments, settlement payments or any other expenses as a result of being made a party to or being threatened to be made a party to any civil, criminal, administrative or investigative action, suit, arbitration or other proceedings because of the individual's service at any time as an officer, director, Chief Executive Officer, employee or agent of this Cooperative, the Cooperative shall indemnify the person to the extent he or she has been successful on the merits or otherwise in the defense of a proceeding. If a person is not entirely successful in defending the action, the Cooperative shall indemnify the person if the Cooperative determines that the person acted in good faith with the reasonable belief that the person's conduct was in the best interests of the Cooperative and with no reasonable cause to believe his or her conduct was unlawful. Indemnification of said persons shall be in accordance with the procedures set forth in Chapter 185 of the Wisconsin Statutes. This Cooperative may purchase insurance to cover all reasonable expenses incurred in any such proceeding.

ARTICLE XII - AMENDMENTS

These 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 alteration, amendment, or repeal, provided further, that Section 3.5 of Article III (relating to voting by members), Article VIII (relating to disposition of property), and Article XII (relating to amendment) of the Bylaws may be altered, amended, or repealed only by the affirmative vote of not less than two-thirds of all the members of the Cooperative.