Valley Telecommunications Cooperative Association, Inc.
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BYLAWS
As Revised June 3, 2026

ARTICLE I MEMBERSHIP

SECTION 1. Requirements for Membership.
1. Any individual or entity may become a member of Valley Telecommunications Cooperative Association, Inc., (hereinafter called the "Cooperative") upon receipt of retail communication services from the Cooperative at a location within its established service area, and by:
   a. Making a written application for membership and communications and information services (hereinafter called "communication services") in the form prescribed by the Cooperative;
   b. Purchasing from the Cooperative communication services in accordance with established rates, terms, tariffs, and conditions specified by the Cooperative as an end user of such services;
   c. Agreeing to comply with and be bound by the Articles of Incorporation and Bylaws of the Cooperative, and any rules and regulations adopted by the Board of Directors (hereinafter called the "Board");
   d. Paying such membership, connection, reconnection, security, facilities extension, and construction fees and deposits as may be established or required by any rule, regulation, or policy adopted by the Board.
2. Purchasers of the Cooperative's services at wholesale, or otherwise for resale, shall not be eligible for membership or patronage credits with respect to such wholesale services. Local exchange carriers, interexchange carriers, wireless carriers, and any other carriers that participate with the Cooperative in the provision of communication services to customers are neither members nor patrons.
3. Membership shall become effective upon the date of commencement of communication services. Membership eligibility terminates upon disconnection of communication services; however, the Cooperative may provide for suspension of service during periods of temporary absence of a member.
4. Such member shall receive communication services from the Cooperative within the established service territory of the Cooperative, as such service territory is defined by the applicable state regulatory authorities from time to time.

SECTION 2. Membership Record.
Membership in the Cooperative shall be evidenced by enrolling the name of the individual or entity making application in compliance with SECTION 1 above on the Membership Record maintained in the office of the Cooperative, as it appears on the Application for Service.

SECTION 3. Joint Membership.
One or more persons may apply for a joint membership and, subject to their compliance with the requirements of SECTION 1 of this Article, may be accepted for such membership. The effect of the holders of a joint membership shall be as follows:
   a. The presence at a meeting of either or both shall be regarded as the presence of one member, and shall constitute a joint waiver of notice of the meeting;
   b. The vote of either separately, or both jointly, shall constitute one joint vote, and if a person is a joint member with more than one other person who may be absent from the meeting, the member who is present at the meeting is entitled to one vote only, whether the member holds an individual membership or one or more joint memberships;
   c. A waiver of notice signed by either or both shall constitute a joint waiver;
   d. Notice to either shall constitute notice to both;
   e. Expulsion of either shall terminate the joint membership;
   f. Withdrawal of either shall terminate the joint membership;
   g. Either but not both may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

SECTION 4. **Conversion of Membership**.
A membership may be converted in the following manner:

a. To a joint membership upon written request signed by both or all joint members and so recorded in the Membership Record and the agreement of the joint members to comply with the Articles of Incorporation, Bylaws, and any rules and regulations adopted by the Board;
b. From a joint membership to a single membership upon written request signed by both or all joint members and so recorded in the Membership Record, provided (1) the member meets the requirements of SECTION 1 above; (2) the member agrees to comply with the Articles of Incorporation, Bylaws, and any rules and regulations adopted by the Board; and (3) the terminating joint member shall not be released from any debt due the Cooperative.
c. From a joint membership upon the death of a joint member, provided there is a sole survivor and such single membership is recorded in the Membership Records; except that two or more survivors may continue the joint membership upon written request signed by all and recorded in the Membership Record; however, the estate of the deceased shall not be released from any debt due the Cooperative.

SECTION 5. **Membership and Service Connection Fee.**
No membership fee shall be assessed to the applicant for communication services. Upon actual receipt of communication services from the Cooperative, such applicant shall become a member. A connection fee or charge for any additional amounts shall be paid by each member in accordance with the rules, regulations or tariffs as may be adopted by the Board of Directors. Discontinuance of such service shall terminate membership in the Cooperative.

SECTION 6. Purchase of Communication Service.
Each member shall, as soon as communication services are available, take such services from the Cooperative to be used on the premises specified in the member's application for membership, and shall pay therefore at rates as established by the Board and pay such amounts owed by said member as and when the same shall become due and payable; provided, however, that the Board may limit the amount of communication services which the Cooperative shall be required to furnish to any one member.

SECTION 7. Termination of Membership.
1. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds (2/3) of all the 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 or printed notice as prescribed in these Bylaws by the Secretary that such failure makes said member liable for 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 vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who has ceased to purchase communication services from the Cooperative shall be cancelled.
2. Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or the member's estate from any debts due to the Cooperative.
3. In case of withdrawal or termination of membership, the Cooperative shall evidence such withdrawal or termination by removing the member's name from the Membership Record kept and maintained in the office of the Cooperative.

ARTICLE II RIGHTS AND LIABILITIES OF THE COOPERATIVE AND MEMBERS

SECTION 1. Service Obligations.
The Cooperative will use reasonable diligence to furnish adequate and dependable communication services, but it cannot and does not guarantee uninterrupted services, nor will it always be able to provide every service desired by each member. The Cooperative shall not be required to provide or to continue to provide communication services to any member who refuses to provide the Cooperative access over said member’s lands and rights of way in a manner consistent herewith.

SECTION 2. Cooperation of Members in Extension of Service.
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 communication 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 or leased or controlled by said member for the furnishing of communication services to said member, or any other member, at no cost to the Cooperative.

SECTION 3. Member Agreement.
The members of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract both between the Cooperative and each member, and further, among all the members themselves individually. 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 with the Cooperative and each of its members.

SECTION 4. 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 5. Property of Members.
Upon dissolution after:

a. All debts and liabilities of the Cooperative shall have been paid, and
b. All capital furnished through patronage shall have been retired as provided in these Bylaws, the remaining assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members, unless otherwise provided by law.

ARTICLE III MEETING OF MEMBERS

SECTION 1. Annual Meeting.
1. The Annual Meeting of the members shall be held on a date to be selected by the Board of Directors, as designated in the notice of meeting 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 of Directors 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.
2. To the extent authorized by the Board, and subject to guidelines and procedures adopted by the Board, an Annual or Special Meeting may be held without a geographic location if the meeting is held through the internet or other electronic communications technology in a manner:

a. Permitting the Cooperative to verify that each person participating in the meeting is a member; and
b. Permitting members the opportunity to read or hear the proceedings concurrently with their occurrence, vote on matters submitted to the members, ask questions, and make comments.

SECTION 2. Special Meetings.
Special Meetings of the members may be called by the President, Board, or members having one-fifth (1/5) of the votes entitled to be cast at such meeting. It shall be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The Board shall determine the date, time, location or manner of a Special Meeting of the members, which shall be specified in the notice of the Special Meeting.

SECTION 3. Notice of Members' Meetings.
Written or printed notice stating the date, time, location and manner 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 given personally, by mail, or by electronic transmission to each member at the member's address as it appears in the records of the Cooperative, not less than ten (10) days nor more than thirty (30) days before the date of the meeting, by or at the direction of the Secretary or by the person calling the meeting. 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 in the records of the Cooperative, with postage thereon prepaid. An electronically transmitted notice of a member meeting is deemed delivered when electronically sent to a member at the member's electronic mail address as it appears in the Cooperative's records. If the Board authorizes remote or electronic meeting attendance, then the notice of member meeting must include a description of the method of remote or electronic communication to be used. 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.

SECTION 4. **Postponement of a Meeting of the Members.**
In the event of inclement weather or the occurrence of a catastrophic event, the meeting of the members may be postponed by the President, the Vice President or the Board. Notice of the postponed meeting shall be given at the direction of the President in any media of general circulation or broadcast serving the area.

SECTION 5. Quorum.
A quorum at any member meeting shall be twenty-five (25) members present or represented by approved authorization. Members represented by approved authorization may be counted in computing a quorum only as to those questions as to which the approved authorization is taken. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting to another time and date, provided that the Secretary shall notify any absent members of the date, time, location and manner of the adjourned meeting by delivering notice thereof as provided in Section 3.

SECTION 6. Voting.
1. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions 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 Bylaws.
2. Cumulative voting is not permitted.
3. Entity members are entitled to only one vote. Voting by entity members shall be allowed upon presentation to the Cooperative, prior to each member meeting, of evidence satisfactory to the Cooperative that the individual presenting the same is entitled to vote on behalf of the entity. An individual may represent more than one entity member, and may also vote as an individual if the individual is a member.
4. Voting by proxy shall not be allowed.
5. Voting by mail shall not be permitted.
6. Except as otherwise provided in state law and these Bylaws, the Board shall have the discretion to establish the voting methodology for member meetings, which may include but is not limited to voting by written ballot or by electronic transmission.
7. To the extent authorized by the Board, and subject to guidelines and procedures adopted by the Board, members participating in a member meeting through remote or electronic means are deemed present and may vote at the member meeting if the Cooperative has implemented reasonable measures:
    a. To verify that each person participating remotely or electronically is a member; and
    b. To provide the member the ability to vote on matters submitted to the members.
8. The notice of the member meeting shall describe the voting methodology to be used at the meeting.

SECTION 7. Order of Business.
The order of business at the Annual Meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meetings.

a. Report on the number of members present or represented by approved authorization in order to determine the existence of a quorum.
b. Reading of the notice of the meeting and proof of service thereof, or the waiver or waivers of notice of the meeting, as the case may be.
c. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
d. Presentation and consideration of reports of officers, directors, and committees.
e. Election of Directors.
f. Unfinished Business.
g. New Business.
h. Adjournment.

ARTICLE IV DIRECTORS

SECTION 1. General Powers.
1. The business and affairs of the Cooperative shall be managed by a board of not less than five (5) nor more than thirteen (13) directors, which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or these Bylaws conferred upon or reserved to the members.
2. There are hereby established eight (8) director districts, and one (1) director from each district shall be elected at the Annual Meeting as provided in these Bylaws. The director districts are as follows:

a. District 1 – the Herreid Exchange.
b. District 2 – the Pollock Exchange.
c. District 3 – the Mound City Exchange.
d. District 4 – the Glenham Exchange.
e. District 5 – the Hosmer Exchange.
f. District 6 – the Leola/Long Lake Exchanges
g. District 7 – the Eureka Exchange.
h. District 8 – the Ipswich Exchange.

SECTION 2. Eligibility of Former Employee for Board Membership and Former Board Member for Employment.
No employee or former employee shall be eligible for election to the Board of Directors until five (5) years has passed since the termination of his or her employment. No Director or former director shall be eligible for employment by the Cooperative until five (5) years has passed since the expiration of his or her service as a director.

SECTION 3. Election and Tenure of Office.
At each Annual Meeting, the directors shall be elected by ballot by the members present at the Annual Meeting, as provided in these Bylaws, to serve for a period of three (3) years, or until their successors have been elected and shall have qualified; or to fill an unexpired term made vacant for any reason. Directors shall be elected by a majority of the members present at the meeting. If the top vote-getters receive an equal number of votes on the original ballot, those nominees shall be re-submitted to be voted upon by the members present. If there exists a tie vote between the top vote-getters after a second ballot, the successful candidate will be determined by drawing of lots under such procedure that all rights of the candidates involved in such tie are adequately safeguarded. If an election shall not be held on the day designated for the Annual Meeting or at any adjournment thereof, the Board of Directors shall cause an election to be held at a Special Meeting of the members within a reasonable time thereafter.

SECTION 4. Qualifications to be Nominated, to Become, or to Remain a Director.
1. No individual shall be eligible to become or remain a director for the Cooperative who:

a. Is not a member, and does not reside in the geographic area from which he or she is elected, and has resided there for more than two hundred and forty (240) days during the last twelve (12) month period;
b. Is not less than eighteen (18) years of age;
c. Is not in any way employed by or financially interested in the Cooperative or in a competing enterprise or a business engaged in selling communication services or supplies, or constructing or maintaining communication facilities;
d. Is closely related to an incumbent director or an employee of the Cooperative. "Closely related" means spouse, sibling, child, or parent;
e. Has been convicted of a felony or comparable crime that would be classified as a felony under South Dakota law within the last five (5) years;
f. Is indebted to the Cooperative for any amounts which are past due; and
g. Has not been a member of the Cooperative for at least five (5) of the last six (6) years.

2. To remain a director, the director must attend two-thirds (2/3) or more of the regular meetings of the Cooperative during each twelve-month period, beginning with the month of election. The director must also comply with all of the Cooperative's rules and regulations in order to remain a director.
3. 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 5. Nominations.
1. Directors shall be nominated by petition signed by 5% of the members who reside in the Director District as of January 1st of the current year, or fifteen (15) members who reside in the Director District, whichever is less. Only one (1) member of a joint member may sign a nominating petition.
2. The nominating petition shall state the name and address of the person running for director, and the number of the district in which he or she is running.
3. Each member signing said petition shall also date his or her signature and place his or her address on the petition.
4. The petition shall be filed in the office of the Cooperative in Herreid, South Dakota, not less than thirty (30) days prior to the Annual Meeting. Any petition received which has been mailed by first class mail, postage prepaid and postmarked thirty (30) days prior to the Annual Meeting shall be deemed to have been filed in sufficient time.
5. Not less than sixty (60) days before the Annual Meeting, the Secretary of the Corporation shall cause to be sent to each member of a Director District entitled to vote thereon, either in person, by mail, or by electronic transmission, a notice that there is or will be a vacancy in the Director District, that any person who qualifies under the Bylaws may run for that directorship by filing a petition no later than thirty (30) days before the Annual Meeting. The notice shall contain the date, time, location and manner of said Annual Meeting, and shall also state that a petition in proper form may be requested from the Cooperative headquarters and will be sent to any member making said request, either in person, by mail, or by electronic transmission.
6. There shall be no nominations from the floor.
7. If only one (1) person files a petition in proper form within the proper time, that person shall be elected at the Annual Meeting.

SECTION 6. Removal of Directors by Membership.
Any member may bring charges against a director which shall specify malfeasance or nonfeasance of the duties and responsibilities of the director's 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, or two hundred (200) members, whichever is the lesser, and may request the removal of such director by reason thereof. Such director 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 charge; and the person or persons bringing the charges against the director shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting of the members. A director may be removed upon a two-thirds (2/3) vote of the members present.

SECTION 7. Removal of Directors by Board.

1. Director Discipline. The Board may create a committee to investigate any formal complaint of a Director's conduct. The Committee shall be composed of the current Board President, or next highest officer if the current highest officer is the subject of the complaint, and two (2) other Directors selected by the Board. Following investigation, the Committee shall make its report to the full Board with recommendations, if any, of discipline of the affected Director. The affected Director shall be provided a copy of the report and given opportunity to respond prior to the vote on any recommended action. Discipline action may include:
    a. A verbal warning;
    b. A written reprimand;
    c. Censure;
    d. A reduction in director benefits or compensation; or
    e. Removal pursuant to subsection 2 of this Section.
2. Action by the Board. A Director may be removed for Cause, by vote of at least two-thirds (2/3) of the remaining Directors who are not subject to current challenge, at a regular or special board meeting called for such purpose. The Director shall be informed thereof in writing at least thirty (30) days in advance of the meeting at which such removal vote is scheduled to take place, and shall have an opportunity to respond, or be heard in person or by counsel, at such meeting. A Director who is the subject of the complaint shall not participate in the Board's deliberation or vote on any matter related to the issue, except as requested by the Board or as allowed in this Section.
3. Cause Defined. Cause shall include:
    a. A conviction or judicial determination involving a felony crime or a crime of moral turpitude;
    b. Becoming ineligible to serve due to failing to meet the qualifications of Section 4 of this Article;
    c. Violation of a director's fiduciary duty; or
    d. The bringing of such disrepute or disparagement to the Cooperative by unacceptable personal conduct to warrant such discipline as determined by two-thirds (2/3) vote of the remaining Board members.

SECTION 8. Vacancies.

Subject to the provisions of these Bylaws with respect to the filling of vacancies, any vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining directors until the next Annual Meeting, when the members shall elect a director for the unexpired portion of the term, if any. Such vacancy shall be filled by a member from the same district as that of the director who created the vacancy.

SECTION 9. Compensation.

1. Board members shall, as determined by resolution of the Board, receive 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. 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 the expenses.
2. Directors shall not receive any salary for their services as directors except that, by resolution of the Board of Directors, an attendance fee and actual expense, if any, shall be allowed for attending each meeting of the Board of Directors, committee meetings or any other meetings authorized by the Board. No director shall receive compensation or any other benefits for serving the Cooperative, except as determined by resolution of the Board of Directors, not to exceed compensation or other benefits that are available generally to officers and employees.
3. No director or close relative, as herein defined in subsection 4(d) of this Article, of a director shall receive compensation for serving the Cooperative in any other capacity unless the payment and amount of compensation shall be specifically authorized by a vote of the members, or shall have been certified by the Board as an emergency measure. All employees shall divulge any relationship to a director before the time of employment.

ARTICLE V MEETINGS OF DIRECTORS

SECTION 1. Regular Meetings.
Regular meetings of the Board shall be held at such time, date, location and manner as the Board may provide by resolution, but no less often than quarterly.

SECTION 2. Special Meetings.
Special Meetings of the Board may be called by the President or by any three (3) 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 shall fix the time, date, location and manner for the holding of the meeting.

SECTION 3. Notice of Directors' Meetings.
Written or printed notice of the time, date, location and manner, and if a special meeting the purpose, of any meeting of the Board shall be delivered to each director not less than five (5) days prior thereto, personally, by mail, or by electronic transmission by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or by the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to each Director at the Director's address as it appears on the records of the Cooperative, with postage thereon prepaid. An electronically transmitted notice is deemed delivered when electronically sent to a director at the director’s email address as it appears on the records of the Cooperative.

SECTION 4. Quorum.
A majority of the Board shall constitute a quorum, provided that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent directors of the time, date, location and manner 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.

SECTION 5. Meetings by Electronic Communication.
The Board of Directors need not conduct a meeting at a geographic location, and may instead hold a meeting by any means of electronic communication that allows the directors to read or hear the proceedings, vote on matters submitted to the directors, pose questions, and make comments.

SECTION 6. Other Committees.
The Board of Directors may, at its discretion, appoint such other committees as may be necessary.

ARTICLE VI OFFICERS

SECTION 1. Number.
The officers of the Cooperative shall be a President, Vice-President, Secretary and Treasurer; and any other officers designated by the Board of Directors. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election and Term of Office.
The officers shall be elected by ballot, annually by and from the Board at the next regular meeting of the Board held after the Annual Meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding Annual Meeting of the members, or until the officer’s successor shall have been elected and shall have qualified. Except as otherwise provided in these Bylaws, the vacancy in any office may be filled by the Board for the unexpired portion of the term.

SECTION 3. Removal of Officers by Directors.
Any officer elected or appointed by the Board may be removed by the Board for cause related to the performance of the duties of the officer’s position, whenever in the Board’s judgment the best interests of the Cooperative will be served thereby. The officer against whom such charges have

been brought shall be informed in writing of the charges at least ten (10) 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 to the charges; and the person or persons bringing the charges against the officer or agent shall have the same opportunity.

SECTION 4. President.
The President shall:

a. Be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board;
b. Sign, with the Secretary, 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 the Bylaws to some other officer of the Cooperative, or shall be required by law to be otherwise signed or executed; and
c. In general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

SECTION 5. Vice-President.
In the absence of the President or in the event of 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 the Vice-President by the Board.

SECTION 6. Secretary.
The Secretary, with the assistance of management of the Cooperative, shall:

a. Keep minutes of the meetings of the members and of the Board in one or more books provided for that purpose;
b. See that all notices are duly given in accordance with these Bylaws or as required by law;
c. Be custodian of the corporate records and of the seal of the Cooperative, and affix the seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws and the provisions of the Articles of Incorporation;
d. Keep a register of the names and addresses of all members;
e. Have general charge of the books of the Cooperative;
f. Keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member); and at the expense of the Cooperative, forward a copy of the Bylaws and of all amendments thereto to each member; and
g. In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board.

SECTION 7. Treasurer.
The Treasurer, with the assistance of management of the Cooperative, shall:

a. Have charge and custody of and be responsible for all funds and securities of the Cooperative;
b. Be responsible for the receipt of and the issuance of receipts 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 banks as shall be selected in accordance with the provisions of these Bylaws; and
c. In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board.

SECTION 8. Manager.
The Board may appoint a manager who may be, but who shall not be required to be, a member of the Cooperative. The manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in said manager.

SECTION 9. Compensation.

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

SECTION 10. Reports.
The officers of the Cooperative shall submit at each Annual Meeting of the members reports covering the business of the Cooperative for the previous fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE VII NON-PROFIT OPERATION

SECTION 1. Interest or Dividends on Capital Prohibited.
The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

SECTION 2. Patronage Capital in Connection with Furnishing of Communication Services.
1. In the furnishing of communication 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 non-profit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable, both directly and indirectly, from the Cooperative's operating income in the furnishing of communication services in excess of operating costs and expenses properly chargeable against the furnishings of communication services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the members as capital. This capital shall be distributed as follows:
   a. 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 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.
   b. The method of allocating such credits shall conform to generally accepted practices of telephone cooperatives. The specific methodology used will consider the sources of such receipts, with consideration given to the measurement of both direct and indirect receipts.
   c. The total of the members' capital credits shall be apportioned among the members on the basis of their respective patronage of the Cooperative, and may be apportioned on the basis of their respective patronage of, and the net proceeds resulting from, the operations of the various pools or departments of the Cooperative, and from the various kinds, qualities, grades, quantities and values of products or services or equipment.
   d. 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 the members' account.
   e. The individual capital accounts shall be maintained in a manner so that the capital furnished relative to the furnishing of communication services can be distinguished from the allocation of capital derived from non-operating and other income.
   f. 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.

2. All other amounts received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:
   a. Used to offset any losses incurred during the current or any prior fiscal year; and
   b. To the extent not needed for that purpose, allocated to its members on a patronage basis, and any amount so allocated shall be included as a part of the capital credited to the accounts of members as herein provided.
   c. All other amounts received by the Cooperative as non-operating income, which shall include but not be limited to interest income, dividends, capital gains and other

miscellaneous income, in excess of costs and expenses, may, at the discretion of the Board of Directors and insofar as permitted by law:

i. Be reserved as unallocated retained earnings, and shall not be allocated to the Cooperative's members on a patronage basis as a part of the capital credited to the accounts of members, as herein provided.
ii. Be used for business purposes as determined by the Board of Directors of the Cooperative.

3. 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 of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part. Any such retirements of capital shall be at the discretion and direction of the Board of Directors as to timing, method and type of retirement, and may include the retirement of capital furnished from non-operating and other income on a cycle basis different from the retirement of capital furnished relative to communication services. 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 of Directors, acting under policies of general application, shall determine otherwise.

4. Notwithstanding any other provision of these Bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of the member's 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 of Directors, acting under policies of general application, and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

ARTICLE VIII DISPOLITION OF PROPERTY

SECTION 1 – Encumbering of Property.

The Board of Directors shall have the power, which may be exercised only by a majority vote of all the Directors, to authorize and approve the borrowing of money. The Board of Directors shall have the power, which may be exercised only by a vote of the majority of all of the Directors, to take any necessary action to secure any present or future indebtedness of the Cooperative to the United States of America or any Department thereof or any Agency thereof or any Instrumentality thereof, or any other lender by the giving of any security instrument, mortgage, security agreement covering the Cooperative's rights, privileges, authority and franchises, revenues and any and all other property, real or personal. The Board of Directors shall designate in their vote who shall execute the said document or documents including any Notes.

SECTION 2 – Other Disposition of Property.

Except as provided in Section 1 of this Article, the Cooperative may not dispose of all or substantially all of the Cooperative's fixed assets except as authorized by the affirmative vote of not less than three-fourths (3/4) of the members present at a meeting of the members of the cooperative duly called and noticed for such purpose.

ARTICLE IX SEAL

The corporate seal of the Cooperative shall be in the form of a circle and shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal, South Dakota."

ARTICLE X FINANCIAL TRANSACTIONS

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

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

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

SECTION 4. 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.

ARTICLE XI MISCELLANEOUS

SECTION 1. Membership in Other Organizations.
The Cooperative may become a member of or purchase stock in any profit or nonprofit entities when the Board finds that the general or long-term interests of its membership will be served by such investments or participation.

SECTION 2. Waiver of Notice.
Any member or director may waive in writing any notice of a meeting required to be given by these Bylaws. 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 3. Rules and Regulations.
The Board shall have power to make and adopt such rules and regulations, not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

SECTION 4. Accounting System and Reports.
The Board shall cause to be established and maintained a complete accounting system which shall conform to all applicable laws and rules and regulations or any regulatory body. The Board shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. Such reports shall be submitted to the members at the following Annual Meeting.

ARTICLE X AMENDMENTS

SECTION 1. By Members.
These Bylaws may be altered, amended or repealed by a majority vote of the members voting and attending any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

SECTION 2. By Directors.
The Board of Directors may amend ARTICLE I and ARTICLE VII, provided that the alterations, amendments or repeal be reported at the next regular member meeting.