

Adopted
10/13/2018

BYLAWS OF
TRIANGLE TELEPHONE COOPERATIVE ASSOCIATION, INC.

ARTICLE I

OFFICES

SECTION 1.01. Principal Office. The principal office of the Association shall be in Havre, Hill County, State of Montana.

SECTION 1.02. Other Offices. The Association may also have an office or offices at such other places as the Board of Trustees may from time to time designate and the business of the Association may require.

ARTICLE II

MEMBERSHIP

SECTION 2.01. Requirements for Membership. Any person, firm, association, corporation, or body politic or subdivision thereof shall become a member of Triangle Telephone Cooperative Association, Inc. (herein "Association") upon receipt of any telecommunications and information services from the Association. A "telecommunications and information service" includes, without limitation, any telecommunications and information service generated, transmitted, distributed, sold, supplied, furnished or otherwise provided by the Association by any means, method or technology, and any other service provided by the Association, as determined by the Board. By acceptance or use of any such services provided by the Association, each member consents to being admitted as a member of the Association and agrees to:

- (a) comply with and is bound by the articles of incorporation and bylaws of the Association and any rules, regulations and policies adopted by the board of trustees (herein "Board"); and

- (b) pay such membership, connection, re-connection, security, facilities extension and construction fees and deposits as may be fixed or required by any rule, regulation or policy adopted by the Board; and
- (c) execute and deliver to the Association such grants of easements and rights-of-way on, over, under and across all lands owned, leased or otherwise controlled by the member, and in accordance with such reasonable terms and conditions as the Association requires for purposes of:
 - (1) furnishing such services to such member and to other members;
 - (2) construction, operation, maintenance and relocation of the Association's facilities; and
 - (3) satisfaction or facilitation of any obligation incurred or right granted by the Association to third parties regarding the use of the Association's property; and
- (d) hold no more than one membership in the Association, and no membership shall be transferable, except as provided in these bylaws.

In addition to complying with all of the foregoing requirements of membership, any former member may renew and reactivate membership in the Association by paying all of such former member's account balances, plus interest thereon at the rate from time to time established by the Board. For purposes of these bylaws, the term "former member" shall include a close relative of a former member who lives or resides with such former member in the same premises formerly served by the Association.

SECTION 2.02. Classification of Member Business. In its sole discretion and in accordance with an established membership service classification policy, the Board may separately classify certain functions or services, or groups or types of functions or services, so as to more effectively account for costs of service for and patronage margins supplied by members using each such classification. In allocating expenses and patronage capital credits, the Board may consider a variety of relevant factors such as the cost of rendering various classes or types of service, the terms and conditions of certain types of service, the terms of

agreements with members and the obligations of the parties involved. Accordingly, patronage capital credits may accrue at a different rate for certain classifications or different types or classes of service, resulting in some classifications producing no margins for allocation, while other classifications produce allocable margins. If Association activities and margins are separately classified in this manner, each member's patronage capital credit allocation will show the patronage capital allocated for each class of function, service or group to which the member subscribes or belongs.

SECTION 2.03. Evidence of Membership. Membership in the Association shall be evidenced by the assignment to each member of an identification number and by the enrollment of each member into a written membership record maintained by the Association.

SECTION 2.04. Joint Membership. (a) Subject to each of them complying with the requirements of Section 2.01 and this Section 2.04 of these bylaws, natural persons may apply for and hold a joint membership in the Association. A joint membership may consist only of two natural persons who are legally married and who occupy the same location to or for which the Association provides or will provide telecommunications and information services.

(b) Qualified natural persons become and consent to being joint members in the same manner as members become and consent to being members. If either one of the natural persons who are legally married completes the membership procedures required by the Association to become joint members, then both such natural persons are joint members.

(c) As used in these bylaws, and except as otherwise provided herein, a membership includes a joint membership, and a member includes a joint member. Except as otherwise provided in these bylaws, a joint member has and enjoys the rights, benefits and privileges, and is subject to the obligations, requirements and liabilities, of a member. Joint members are jointly and severally liable for complying with the Association's articles of incorporation and bylaws, and its rules, regulations and policies adopted by the Board. Without limiting the generality of the foregoing, the effect of the following actions by or regarding the holders of a joint membership is as follows:

- (1) The presence at a meeting of either or both is regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- (2) The vote of either separately or both jointly constitutes one joint vote;
- (3) If only one joint member votes on a matter, signs a petition, consent, waiver or other document, or otherwise acts, then such vote, signature or action binds the joint membership and constitutes one vote, signature or action;
- (4) If both joint members vote on a matter, sign a petition, consent, waiver or other document, or otherwise act, then the first vote, signature or action received by the Association binds the joint membership and constitutes one vote, signature or action;
- (5) A waiver of notice signed by either or both constitutes a joint waiver;
- (6) Notice to either constitutes notice to both;
- (7) Expulsion of either terminates the joint membership;
- (8) Withdrawal of either terminates the joint membership;
- (9) Either joint member may be elected or appointed as a trustee, provided that the one so elected meets the qualifications for such office, but both joint members may not be elected, appointed or serve as trustees at the same time.

SECTION 2.05. Conversion of Membership. (a) In the manner prescribed by the Board and these bylaws, a qualified member may convert that member's individual membership to a joint membership with a qualified natural person. While a joint member, a qualified natural person may not become or remain a separate, non-joint member by using the Association's services at a location different from the joint membership location.

(b) Joint members shall notify the Association, in writing, of a legal cessation or termination of their marriage. Upon such notification, or upon determining or discovering a legal cessation or termination of the marriage of joint members, and if one joint member remains qualified to be a member and continues to use the Association's services at the same location, the Association will convert the joint membership to an individual membership comprised of that member.

SECTION 2.06. Purchase and Delivery of Service. (a) Each member must purchase from the Association a telecommunications and information service, to the extent that and when such service is available and meets the member's needs. Each member must pay for such services at such rates and at such times as from time to time are fixed by the Board. Amounts paid for such services in excess of the cost of service are furnished by members as capital, and each member will be credited with the capital so furnished as provided in these bylaws. Each member must pay all amounts owed by such member to the Association as and when the same become due and payable, together with interest on any delinquent amounts at the rate from time to time established by the Board.

(b) The Association will use reasonable diligence to furnish adequate and dependable telecommunications and information services to its members, but it cannot and does not guarantee uninterrupted service nor will it always be able to provide every service desired by each member.

(c) When a member receives telecommunications and information services from the Association at more than one service connection or location, any payment by such member for service is deemed allocated to and paid or credited on a *pro rata* basis to all of that member's outstanding accounts for all of such service connections or locations, even though the Association's actual accounting procedures may not reflect such allocation and proration.

SECTION 2.07. Termination of Membership. (a) The Board may, by the affirmative vote of not less than two-thirds of all the trustees, expel any member who fails to comply with any of the provisions of the articles of incorporation and bylaws of the Association or any rules, regulations or policies adopted by the Board, but only if such member has been given written notice by

the Association that such failure makes the member liable to expulsion and such failure has continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting.

(b) If a member fails or ceases to receive telecommunications and information services from the Association, or upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member will terminate. Termination of membership in any manner does not release a member or such member's estate from any debts and obligations due the Association, including but not limited to any unpaid charges for services and any unpaid connection, facilities extension and construction fees or charges, and any unpaid interest on any such amounts at the rate from time to time established by the Board.

SECTION 2.08. Contract with Members. The members of the Association, by dealing with the Association, acknowledge that the terms and provisions of the articles of incorporation and bylaws constitute and are a contract between the Association and each member, and both the Association 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 must be called to the attention of each member of the Association by posting in a conspicuous place in the Association's office.

ARTICLE III

RIGHTS AND LIABILITIES OF MEMBERS

SECTION 3.01. Property Interest of Members. Upon dissolution, after (a) all debts and liabilities of the Association shall have been paid, and (b) all capital furnished through patronage shall have been retired as provided in these bylaws, the remaining property and assets of the Association shall be distributed, as nearly as practicable as determined by the Board, 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 during the seven (7) years next preceding the

date of the filing of the certificate of dissolution, unless otherwise provided by law.

SECTION 3.02. Non-liability for Debts of the Association.

The private property of the members shall be exempt from execution or other liability for the debts of the Association and no member shall be liable or responsible for any debts or liabilities of the Association.

SECTION 3.03. Association and Member Property Rights. (a)

The Association, through its authorized employees, agents and independent contractors, shall have access at reasonable hours to install, construct, inspect, maintain, replace, relocate or repair all property owned by the Association and situated or located on lands or property owned by members. No member shall have the right to replace, remove, relocate, rearrange or otherwise disturb any of the Association's property placed on lands or property owned by the member.

(b) A member shall have the right to make changes in, replace, remove, relocate or rearrange facilities or equipment owned by the member and used in connection with the Association's telecommunications and information services, provided, however, that the member shall indemnify and hold the Association harmless from any and all claims of any kind or nature, including death of, injury, loss or damage to person or property, resulting or arising from any such changes, replacement, removal, relocation or rearrangement.

ARTICLE IV

MEETINGS OF MEMBERS

SECTION 4.01. Annual Meeting. The annual meeting of the members shall be held during the month of October of each year on such date and at such time and place as the Board determines, for purposes of electing trustees, passing upon reports of 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 constitute a dissolution of the Association.

SECTION 4.02. Special Meetings. Special meetings of the members may be called by resolution of the Board, or upon written request of any three trustees, or of the president, or of not less than 200 members or ten percent of all members, whichever is less, 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 shall be held at Havre, Montana, with the location and the time of such meeting specified in the notice of the special meeting.

SECTION 4.03. Notice of Members' Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or 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 to each member, either personally or by mail, not less than ten (10) days nor more than twenty (20) days before the date of the meeting; provided, however, that notice of any meeting at which the sale, lease-sale, exchange or other disposition of all or a substantial portion of the Association's assets is proposed, or at which any reorganization, merger or consolidation into or resulting in another entity is proposed, shall be given to each member, by mail, not less than ninety (90) days prior to any such meeting. Such notice shall be given by or at the direction of the Secretary, or upon a default in the duty by the Secretary, by the persons 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 such member's address as it appears on the records of the Association, with postage thereon prepaid. Providing that notice shall have been mailed pursuant to these bylaws, the failure of any member to actually receive notice of an annual or special meeting of the members shall not invalidate any action which may properly be taken by the members at any such meetings.

SECTION 4.04. Quorum. A quorum shall exist for transaction of business at any meeting of the members if five percent (5%) of all members or 50 members, whichever is fewer, are present in person. 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 minutes of each meeting shall contain a list of members present in person.

SECTION 4.05. Voting. All voting shall be in person, and 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 in person, except as otherwise provided by law, the articles of incorporation or these bylaws. No member shall attend or vote by proxy or by mail, or both, at any meeting of the members, provided that voting by or for a member who is not a natural person (such as a corporation, church, city, county, or other legal entity), shall be allowed upon presentation to the Association, either prior to or upon registration at each member meeting, satisfactory evidence that the person presenting the same is the officer, director, trustee, or other official designee authorized to vote for such a member who is not a natural person.

SECTION 4.06. Voting List. At least fifteen (15) days before each meeting of the members, the Secretary shall make a complete list, arranged in alphabetical order, of the members entitled to vote at such meeting and their addresses. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to inspection by any member during the whole time of the meeting.

SECTION 4.07. 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:

- (a) report on the number of members present in person in order to determine the existence of a quorum;
- (b) reading of the notice of the meeting and proof of the due giving thereof, or of 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, trustees and committees;
- (e) election of trustees;
- (f) unfinished business;

(g) new business; and

(h) adjournment.

Notwithstanding the foregoing, the Board or the members themselves may from time to time establish a different order of business for the purpose 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.

Parliamentary procedure for conducting business and voting at all meetings of members shall be governed by the latest published edition of *Robert's Rules of Order, the Modern Edition*, except to the extent such procedure is otherwise determined by law or by the Association's articles of incorporation or these bylaws.

ARTICLE V

TRUSTEES

SECTION 5.01. General Powers. The business and affairs of the Association shall be managed by a board of five (5) trustees until the election of trustees at the annual member meeting in the year 2004. Commencing with the election of trustees at the annual member meeting held in the year 2004, the business and affairs of the Association shall be managed thereafter by a board of seven (7) trustees. The board shall exercise all of the powers of the Association except such as are by law, the articles of incorporation or these bylaws conferred upon or reserved to the members.

SECTION 5.02. Trustee Districts. The Association's seven (7) trustees shall be so nominated and elected as to provide two (2) trustees, each qualified under Section 5.05 of these bylaws, from District No. 1, and one (1) trustee, qualified under Section 5.05 of these bylaws, from each of District Nos. 2, 3, 4, 5 and 6. The trustee districts (**Districts** or **District**) are described as follows:

- District No. 1, known as the Association's "Southern Exchange Area" (initially comprised of the Melville, Big Timber, Reed Point, Rapelje, Broadview and Molt exchange areas);
- District No. 2, known as the Association's "South Havre Exchange Area" (initially comprised of the Box Elder, South Havre and Hays/Zortman exchange area);
- District No. 3, known as the Association's "Northwestern Exchange Area" (initially comprised of the Chester, South Chester, Joplin, Rudyard, Simpson and North Havre exchange areas);
- District No. 4, known as the Association's "Big Sandy Exchange Area" (initially comprised of the Big Sandy, Loma, Hopp-Iliad, Winifred, Hingham, Gildford and Kremlin exchange areas);
- District No. 5, known as the Association's "Chinook/Malta Exchange Area" (initially comprised of the Chinook, Turner, Whitewater, and South Malta exchange areas); and
- District No. 6, known as the Association's "At-Large Exchange Area" (comprised of all of the Association's exchange or service areas).

The creation or subsequent alteration of District boundaries, alone, shall not have the effect of either lengthening an existing trustee's term of office or, without the written consent of the affected trustee, shortening an existing trustee's term.

In order to implement this Section 5.02, the members shall elect:

- (a) one(1) trustee from District No. 1, one(1) trustee from District No. 2, and one(1) trustee from District No. 6 at the annual member meeting held in 2004; and
- (b) one(1) trustee from District No. 1 and one(1) trustee from District No. 3 at the annual member meeting held in 2005; and
- (c) one(1) trustee from District No. 4 and one (1) trustee from District No. 5 at the annual member meeting held in 2006.

The Association shall maintain on file at the Association's principal office at Havre, Montana, a complete description and/or geographical representation of the Districts, a copy of which will be provided to any member upon request. The Board shall establish a reasonable method by which to identify the District boundaries based on geography, number of members, location and number of service lines served by the Association's land-based telecommunications system and any other equitable considerations, or any reasonable combination of such considerations, so as to divide the Association's general exchange or service area into five(5) Districts, with trustees elected in a manner designed to equitably represent the members in each District, as nearly as practicable, and one(1) additional District comprised of the Association's entire service area.

Commencing not later than June 1, 2009, and not less frequently than every six (6) years thereafter, the Board shall review the District boundaries, based on such foregoing considerations, to determine whether any District boundaries should be altered in order to equitably represent the members, as nearly as practicable. If the Board alters District boundaries as a result of any such review at any time, the Board shall inform all members, in writing, not less than fifteen(15) days prior to the first meeting of the committee on nominations appointed in that year pursuant to Section 5.06 of these bylaws. Upon so providing such information to the members, the District boundaries shall be deemed amended accordingly.

SECTION 5.03. Election. At each annual meeting of the members, the members shall elect trustees by secret written ballot from among those natural persons who are members or who are

operating or chief officers of any members that are not natural persons (such as corporations, churches or other legal entities), or those officers' designees, and who are otherwise qualified as provided in Section 5.05 of these bylaws. When the total number of nominees does not exceed the total number of trustees to be elected, or when the number of nominees for a trustee District does not exceed the number of trustees to be elected from that District, and if there is no objection, the members may dispense with secret written balloting with respect to that particular election or with respect to the election for that particular District, as applicable, and may conduct voting in any other proper manner. Each member present at the meeting is entitled to vote for one trustee candidate from each District for which a trustee election is being held; no member may vote for more than one nominee from each trustee District. A District nominee who receives a plurality of the votes cast for trustee of that District shall be elected. Drawing by lot shall resolve, where necessary, any tie votes.

SECTION 5.04. Term. A trustee's term of office shall be three(3) years. The Association shall stagger the trustees' terms of office in such a manner that the terms of no more than three trustees shall expire at the same time, as provided in Section 5.02. At any annual member meeting, and except as otherwise provided in Sections 5.07 and 5.08 of these bylaws, the members shall elect no more than three trustees. Upon election, and subject to the provisions of these bylaws regarding vacancies and the removal of trustees, a trustee shall serve until the annual meeting of the members of the year in which the trustee's term expires or until the members elect the trustee's successor. If for any reason the members do not hold an election of trustees at an annual member meeting called pursuant to these bylaws, the members may hold such election at an adjournment of such meeting or at a subsequently held special or the next annual meeting of the members. If the members fail to hold an election for a given year, the incumbent trustee or trustees, whose terms would have expired, shall hold over and continue to act only until the next member meeting at which a quorum is present, at which meeting the members shall elect a qualified person to fill the remainder of the applicable term of office.

SECTION 5.05. Qualifications. No person shall be eligible to become or remain a trustee of the Association who:

- (a) is not a member and a bona fide resident actually residing and receiving telecommunications services from the Association in the District for which such person is or may become a trustee; PROVIDED THAT notwithstanding the fact that a natural person may not receive telecommunications services from the Association at such person's primary residence, a natural person who is the operating or chief officer of any member that is not a natural person (such as a corporation, church or other legal entity), or such person's designee, shall be eligible to become or remain a trustee, if: (1) such person or such designee is a bona fide resident actually residing in the District for which such person is or may become a trustee; and (2) such entity member actually receives telecommunications services from the Association in that same District; or
- (b) is, after being duly elected to serve as a trustee, absent from or fails to attend three (3) of any twelve (12) consecutive regular Board meetings, unless the remaining trustees resolve by vote of at least four of the six remaining trustees that good cause existed for such absences and that such cause will not likely result in further absences from the next ensuing twelve (12) consecutive regular Board meetings; or
- (c) is, and if duly elected to serve as a trustee will continue to be, a close relative of an incumbent trustee or of an employee of the Association; PROVIDED THAT, no incumbent trustee shall lose eligibility to remain a trustee or to be re-elected as a trustee if, during such trustee's incumbency, such trustee becomes a close relative of another incumbent trustee or of an Association employee and the remaining trustees resolve at the next regular or special Board meeting, by vote of at least four of the six remaining trustees, that good cause exists for such trustee's continuing eligibility and that such trustee's continuing service on the

Board will not materially adversely affect the Association's operational or business interests.

In addition to the foregoing qualifications, to be eligible to become or remain a trustee or hold any position of trust in the Association, such person must comply with the following:

(i) during the five (5) years immediately prior to his or her election or appointment as a trustee, such person shall not have been an employee of the Association or of a subsidiary of or an entity controlled by the Association;

(ii) during the five(5) years immediately prior to his or her election or appointment as trustee, such person shall not have been employed, in any way, by or materially financially interested in a competing enterprise or a business selling telecommunications or related services, equipment or supplies to the Association, or a business primarily engaged in selling telecommunications or related services, equipment or supplies to the members of the Association;

(iii) while serving as a trustee, such person shall not be employed by the Association or any subsidiary of or any entity controlled by the Association, nor be employed, in any way, by or materially financially interested in a competing enterprise or a business selling telecommunications or related services, equipment or supplies to the Association, or a business primarily engaged in selling telecommunications or related services, equipment or supplies to the members of the Association; and

(iv) such person, upon being elected or appointed as a trustee, consents and agrees not to be or become an employee of the Association, or of a subsidiary of or an entity controlled by the Association, during the five(5) years immediately after ceasing, for any reason, to be a trustee.

Upon establishment of the fact that any person being considered for, nominated for or serving as a trustee lacks eligibility under this Section 5.05, the Board shall act to withhold such position from such person or cause such person to be removed therefrom, as applicable.

Nothing contained in this Section 5.05 shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board, unless such action is taken with respect to a matter affected by the provisions of this Section 5.05 and in which one or more trustees have a personal interest in conflict with the interests of the Association.

SECTION 5.06. Nominations.

(a) Nominations by committee. Not less than forty-five(45) days nor more than seventy (70) days before the date of the annual meeting of the members at which trustees are to be elected, the Board shall appoint a committee on nominations consisting of not less than five nor more than fourteen Association members. No member of the Board may serve on such committee. The committee shall prepare and post at the principal office of the Association, at least thirty (30) days before the annual member meeting, a list of nominations for trustees to be elected, listing such nominees separately by the District from which a trustee must be elected. The committee may include in such list a greater number of nominees for some or all trustee positions, provided that the committee clearly indicates, by District, those nominees who will oppose each other.

(b) Nominations by petition. Any fifteen or more Association members, acting together, may make additional nominations by written petition containing the name(s) and address(es) of the nominee(s) and the District from which each is nominated, and the signatures, printed names and addresses of the petitioners. The petitioners must deliver the petition so that it is received at the Association's principal office at Havre, Montana, not less than thirty(30) days prior to the annual member meeting. The Secretary shall post such nominations by petition at the same place where the list of nominations by committee is posted.

(c) List of nominees. The Secretary shall mail, with the notice of the annual member meeting or separately, but at least seven(7) days before the date of the annual member meeting, a statement of the number of trustees to be elected from each District, the names and addresses of the nominees and the District from which each is nominated, specifying separately those nominated by the committee on nominations and those nominated by petition, if any.

(d) Restrictions on eligibility. Neither the committee on nominations nor the members may nominate a person, even if otherwise qualified under Section 5.05 of these bylaws, to stand for election as trustee for more than one District at the same trustee election. No person may serve or be elected to serve as trustee for more than one District at the same time.

SECTION 5.07. Removal of Trustees by Members. Any member may bring one or more charge(s) for cause against any one or more trustee(s) and may request the removal of such trustee(s) by reason thereof by filing with the Secretary such charge(s) in writing, together with a petition signed by not less than ten percent (10%) of the then-total members of the Association which petition calls for a special member meeting, the stated purpose of which shall be to hear and act upon such charge(s) and, if one or more trustees are recalled, to elect their successor(s), and which specifies the place, time and date thereof not sooner than forty (40) days after filing of such petition, or which requests that the matter be acted upon at the subsequent annual member meeting, if such meeting will be held no sooner than forty (40) days after the filing of such petition. Each page of the petition shall, in the forefront thereof, state the name(s) and address(es) of the member(s) filing such charge(s), a verbatim statement of such charge(s) and the name(s) of the trustee(s) against whom such charge(s) is (are) being made. The petition shall be signed by each member in the same name as the member is billed by the Association and shall state the signatory's address as the same appears on such billings.

Notice of such meeting, stating therein such charge(s) verbatim, the trustee(s) against whom the charge(s) have been made, the member(s) filing the charge(s) and the purpose of the meeting, shall be delivered to the members, in person or by mail, in the manner set forth in Article IV, Section 4.03, of these bylaws; provided that, the notice shall set forth (in alphabetical order) only twenty (20) of the names of the members filing one or more charges if twenty (20) or more members file the same charge(s) against the same trustee(s).

Such trustee(s) shall be informed in writing of the charges after they have been validly filed and at least twenty (20) 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, by witnesses, by counsel, or any combination of such, and to present evidence in respect of the charge(s); and the member(s) bringing the charge(s) shall have the same opportunity, but must be heard first.

The question of the removal of such trustee(s) shall, separately for each if more than one has been charged, be considered and voted upon at such meeting. The question of the removal of a trustee shall not be voted upon at all unless some evidence, other than the petition itself, in support of the charge(s) against the trustee shall have been presented during the meeting through oral statements, documents or otherwise.

If a majority of the members present at such meeting votes to remove one or more trustees, then such trustee(s) is(are) deemed removed from office as of the time and date of the member vote. At such meeting, the members shall elect a new trustee(s) to fill any vacancy created by such removal, without complying with the foregoing provisions of these bylaws regarding nominations and notice. The chairperson of such meeting shall invite nominations from the floor for such purposes and shall determine and announce, after each such nomination, the District in which each nominee is qualified. Each person elected as a successor trustee must meet and comply with the qualifications set forth in these bylaws. A newly elected successor trustee shall serve the unexpired portion of the removed trustee's term.

SECTION 5.08. Vacancies. Subject to the provisions of Section 5.07 of these bylaws with respect to the filling of vacancies caused by the removal of trustees by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining trustees, electing a person otherwise qualified under these bylaws and to serve for the unexpired portion of the term of the trustee whose position is being vacated. 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 with a person otherwise qualified under these bylaws at a duly called meeting of the members and without regard to the foregoing provisions concerning nominations. The chairperson of such meeting shall invite nominations from the floor for such purposes and shall determine and announce, after each such nomination, the District in which the nominee is qualified.

SECTION 5.09. Compensation. Trustees shall not receive any salary for their services as Trustees, except that by resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for each day or portion thereof spent on Association business, such as attendance at meetings, conferences, conventions, seminars and training programs or performing committee assignments when authorized by the Board. If authorized by the Board, Trustees may also be reimbursed for expenses actually and necessarily incurred in carrying out such Association business or granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. No Trustee shall receive compensation for serving the Association in any other capacity, nor shall any close relative of a Trustee receive compensation for serving the Association in any other capacity than as an employee of the Association, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by such trustee or close relative shall have been certified by the Board as an emergency measure.

SECTION 5.10. Close Relative Defined. For purposes of these bylaws, the term "close relative" shall mean a person who is related to the principal person as a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece, by blood or in law. "In law" shall mean not only such persons as, for example, brothers-in-law, but shall also include "step" relatives and adoptive relatives.

SECTION 5.11. Promotion of Rural Economic Development. In furtherance of the Association's purposes of making telecommunications and information services generally available and in the exercise of the Board's general powers, the Board is authorized to promote rural economic development in or near areas served by the Association. The Board's efforts to promote rural economic development may include, but are not limited to:

- (a) participating in, applying to become and becoming a grant recipient or low-interest loan borrower under various economic development loan and grant programs of the state of Montana or the United States, or any instrumentality or agency thereof; and
- (b) sponsoring, or acting as sponsor for, rural economic

development projects to which the proceeds of state or federal grants or loans may be committed in the form of grants or loans by the Association to such projects or to appropriate entities undertaking such projects;

PROVIDED, HOWEVER, that nothing contained in this Section 5.11 shall require the Association or the Board to sponsor, promote or otherwise participate in any rural economic development project.

ARTICLE VI

MEETINGS OF TRUSTEES

SECTION 6.01. Regular Meetings. A regular meeting of the Board shall 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 in the State of Montana, as the Board may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof and, if such meeting is held by telephone conference call or other telecommunications equipment, on such additional oral notice as herein provided.

SECTION 6.02. Special Meetings. Special meetings of the Board may be called by the President or by any three Trustees, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the Trustees calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 6.03. Notice of Special Meetings. Except for special meetings held by telephone conference call or other telecommunications equipment as herein provided, written notice of the time, place and purpose of any special meeting of the Board shall be given to each Trustee not less than five days previous thereto, either personally or by mail, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President or the Trustees calling the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the Trustee at that Trustee's address as it appears on the records of the Association, with postage thereon prepaid.

SECTION 6.04. Quorum. A majority of the Board shall constitute a quorum, provided that if less than such majority of the Trustees is present at said meeting, a majority of the Trustees present may adjourn the meeting from time to time; and provided further, that the Secretary shall notify any absent Trustees of the time and place of such adjourned meeting. The act of the majority of the Trustees present at a meeting at which a quorum is present shall be the act of the Board.

SECTION 6.05. Board and Committee Meetings by Teleconferencing. Trustees may participate in any regular or special meeting of the Board, and appointees to any duly constituted committee of the Board may participate in any committee meeting, by means of a conference telephone or other telecommunications equipment, the use of which allows all persons participating in the meeting to simultaneously hear each other at all times during the meeting. A Trustee's or committee appointee's participation by such means shall constitute that Trustee's or committee appointee's presence in person at such meeting. Any such meeting of the Board or of a committee, utilizing conference telephone or other telecommunications equipment, may be held upon forty-eight (48) hours oral notice to each Trustee or committee appointee personally, of the time and purpose of the meeting to be held by such means.

ARTICLE VII

OFFICERS

SECTION 7.01. Number. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, each of whom must be a member of the Board. The offices of the Secretary and of the Treasurer may be held by the same person.

SECTION 7.02. Election and Term of Office. At the annual regular meeting of the Board held immediately after the annual meeting of the members, the Board shall elect the officers of the Association by and from the members of the Board. The Board may nominate and elect such officers by acclamation, without a secret ballot, except in the event more than one person is nominated for an office, in which case the Board shall conduct such election by

secret ballot. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is practicable. Each officer shall hold office until the first regular meeting of the Board following the next succeeding annual meeting of the members or until such officer's successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board by appointment of one of the remaining trustees to serve for the unexpired portion of the term of office being vacated.

SECTION 7.03. Removal of Officers and Agents by Trustees.

Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby. In addition, any member of the Association may bring charges against an officer, and by filing with the Secretary such charges in writing together with a petition signed by ten percent (10%) of the members, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against such officer shall have the same opportunity. In the event the Board does not remove such officer, the question of such officer's removal shall be considered and voted upon at the next meeting of the members.

SECTION 7.04. President. The President:

- (a) shall be the principal executive officer of the Association and, unless otherwise determined by the members or the Board, shall preside at all meetings of the members and the Board;
- (b) may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of trustees or by these bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and

- (c) shall, 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 7.05. 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 7.06. Secretary. The Secretary shall be responsible for:

- (a) keeping the minutes of the meetings of the members and of the Board in one or more books provided for that purpose;
- (b) seeing that all notices are duly given in accordance with these bylaws or as required by law;
- (c) the safekeeping of and having the general charge of the corporate books and records and of the seal of the Association and affixing the seal of the Association to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these bylaws;
- (d) keeping a register of the names and post office addresses of all members;
- (e) keeping on file at all times a complete copy of the articles of incorporation and bylaws of the Association containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Association, furnishing a copy of the bylaws and of all amendments thereto to any member upon request; and
- (f) in general, performing 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 7.07. Treasurer. The Treasurer shall be responsible for:

- (a) having charge and custody of all funds and securities of the Association;
- (b) the receipt and the issuance of receipts for all moneys due and payable to the Association and for the deposit of all such moneys in the name of the Association in such bank or banks as shall be selected in accordance with the provisions of these bylaws; and
- (c) in general, performing 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 7.08. Delegation of Secretary's and Treasurer's Responsibilities. Notwithstanding the duties, responsibilities and authorities of the Secretary and of the Treasurer set forth in these bylaws, the Board by resolution may, except as otherwise limited by law, delegate, wholly or in part, the responsibility and authority for, and the regular or routine administration of, one or more of each such officer's such duties to one or more agents, other officers or employees of the Association who are not trustees. To the extent that the Board does so delegate with respect to any such officer, that officer as such shall be released from such duties, responsibilities and authorities.

SECTION 7.09. Manager. The Board may appoint a manager, whom the Board may designate as general manager, chief executive officer, executive vice-president or other appropriate managerial title, and who may be, but is not required to be, a member of the Association. The manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in such manager.

SECTION 7.10. Bonds of Officers. The Treasurer and any other officer or agent of the Association charged with responsibility for the custody of any of its funds or property shall give bond 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 Association to give bond in such amount and with such surety as it shall determine.

SECTION 7.11. Compensation; Indemnification.

The compensation, if any, of any officer, agent or employee who is also a trustee or close relative of a trustee shall be determined as provided in Section 5.09 of these bylaws, and the powers, duties and compensation of any other officers, agents and employees shall be fixed or a plan therefor approved by the Board. The Association shall indemnify present and former trustees, officers (including the manager or, if so entitled, the general manager or executive vice president), agents and employees against liability to the extent that their acts or omissions constituting the grounds for alleged liability were performed in their official capacity and, if actionable at all, were based upon good faith business judgments in the belief the acts or omissions were in the best interests of the Association.

SECTION 7.12. Reports. At each annual meeting of the members, one or more officers of the Association shall submit reports covering the business of the Association for the previous fiscal year. Such reports shall set forth the condition of the Association at the close of such fiscal year.

ARTICLE VIII

NON-PROFIT OPERATION

SECTION 8.01. Interest or Dividends on Capital Prohibited. The Association 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 Association on any capital furnished by its members.

SECTION 8.02. Patronage Capital in Connection with Furnishing Telecommunications and Information Services. In the furnishing of telecommunications and information services, the Association's operations will be so conducted that all members,

through their patronage, will furnish capital for the Association. The Association will account, on a patronage basis, to all members for all amounts received or receivable by the Association, both directly and indirectly, as operating income from furnishing such telecommunications and information services, within each established classification of function and service, in excess of operating costs and expenses properly chargeable against the furnishing of such services within each such classification. The term "patronage capital" means all such amounts paid by members for such telecommunications and information services and other operating income, in excess of such operating costs and expenses, and at the moment of receipt by the Association, all such amounts are deemed to have been furnished by the members as patronage capital.

- (a) Retirement of Capital Credits. At any time prior to the Association's liquidation or dissolution, in order to induce patronage and to assure that the Association will operate on a non-profit basis, and after allocating patronage capital to the members as provided in this Section 8.02, the Board, in its sole discretion, may retire and refund, in whole or in part, at the close of each fiscal year, that amount of patronage capital credited to the accounts of members and former members, which exceeds the amount thereof necessary to:
 - (1) defray expenses of the Association and of the operation and maintenance of its facilities during such fiscal year;
 - (2) pay interest and principal obligations of the Association coming due in such fiscal year;
 - (3) provide a reserve for the financing of the construction or acquisition by the Association of additional facilities to the extent determined by the Board;
 - (4) provide a reasonable reserve for working capital;
 - (5) offset losses incurred in any prior fiscal year;
 - (6) provide a reserve for the payment of indebtedness

of the Association maturing more than one year after the date of the incurrence of such indebtedness in an amount not less than the total of the interest and principal payments on such indebtedness required to be made during the next following fiscal year;

- (7) provide a fund, which must be not less than 2% or more than 5% of the balance remaining, for education in cooperation and for the dissemination of information concerning the effective use of telecommunications and information services made available by the Association; and
- (8) make any other expenditure authorized by law.

The Board may determine the manner and method of retiring and refunding patronage capital, provided that:

- (9) any such retirement of patronage capital is made in accordance with the capital credits policy of the Association and in such amounts and upon such terms as the Board determines; and
 - (10) the Board must have adopted such policy prior to any such retirement of patronage capital.
- (b) Use of non-operating income. All other amounts received by the Association as non-operating income, including but not limited to interest income, dividends, capital gains and other miscellaneous income, in excess of costs and expenses, may, in the sole discretion of the Board and to the extent permitted by law:
- (1) be reserved as unallocated, retained earnings and will not be allocated to the Association's members on a patronage basis as part of the patronage capital credited to members as provided in this Section 8.02; and
 - (2) be used for such business purposes as the Board determines to be in the best interests of the Association and its members.

- (c) Retirement of Capital Credits on Dissolution. In the event of dissolution or liquidation of the Association, after all outstanding indebtedness of the Association has 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; provided that to the extent gains may then be realized from the sale of any appreciated asset, such gains will be distributed to all persons who were members during the period the asset was owned by the Association in proportion to the amount of business done by such members during that period, to the extent practicable, as determined by the Board, before any payments are made on account of other property rights of members.
- (d) Assignment of Capital Credits. Patronage capital credited to the account of each member is assignable only on the books of the Association, pursuant to written instruction from the assignor and only to successors-in-interest or successors-in-occupancy to all or a part of such member's premises served by the Association unless the Board, acting under policies of general application, determines otherwise.
- (e) Retirement of Capital Credits on Death of Member. Notwithstanding any other provision of these bylaws, upon the death of any member who is a natural person, and upon written application by the deceased member's legal representative, the Board in its discretion and in conformance with its established capital credits policy, may retire capital credited to such member on such terms and conditions as set forth in such policy, provided that the financial condition of the Association is not impaired by such retirement.
- (f) Set-off of Amounts Owing by Members. Whenever capital credited to a member's account is to be retired, in whole or in part, the Association is authorized to set-off against the amount of capital due to the member any obligation or amount due and owing to the Association by such member, together with interest at the rate from time to time established by the Board and in effect when any such amounts became due and owing.

**ARTICLE IX
DISPOSITION AND PLEDGING OF PROPERTY;
DISTRIBUTION OF SURPLUS ASSETS ON DISSOLUTION**

SECTION 9.01. Disposition and Pledging of Property. (a) The Association 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 duly held meeting of members by the affirmative vote of not less than two-thirds of all the members of the Association, and unless the notice of such meeting also contains a notice of the proposed sale, mortgage, lease or other disposition or encumbrance; provided, however, that the Board, without authorization by the members of the Association, has 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 encumbrancing of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Association, 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 determines, to secure any indebtedness of the Association to the United States of America or any instrumentality or agency thereof, or to any other financing sources within the United States.

(b) Before a meeting of the members is held to vote on authorization of the sale, lease, lease-sale, or other disposition of Association property, the Board shall:

- (1) Designate three independent appraisers not associated with the Association or a proposed buyer of Association property. Each appraiser shall prepare an independent appraisal of the value of the Association property that is the subject of such proposed disposition.
- (2) Notify all Association members, in writing and in the manner provided in these bylaws, at least 90 days in advance of the meeting to vote on such proposed disposition of Association property. The vote on the disposition of Association property may take place at an annual meeting if the Board notifies all Association members as herein provided

at least 90 days in advance of such annual meeting. Detailed proposals for such disposition must accompany the notice of any meeting to vote on such proposed disposition of Association property.

- (3) At least 30 days before the meeting of the members, notify all other rural electric and telephone cooperatives authorized to do business and operating in Montana (excluding those cooperatives that have made such an offer to purchase, lease, lease-purchase or otherwise acquire Association property) that the property is available for disposition. Such notice shall include one copy of the report of each of the three appraisers.
- (4) At least 30 days before the meeting of the members, deliver by first class United States mail to all members any alternative proposal made by Association members, provided that such alternative proposal has been submitted in writing to the Board and signed by 50 or more Association members.

The foregoing provisions shall not apply to a sale, lease, lease-sale, exchange or other disposition to one or more other cooperative membership corporations, if the substantive effect thereof is to merge or consolidate with such other one or more cooperative membership corporations.

SECTION 9.02. Distribution of Surplus Assets on Dissolution.

Upon the Association's dissolution, any assets remaining after all liabilities or obligations of the Association have been satisfied and discharged, to the extent practicable as determined by the Board, and not inconsistent with the provisions of Section 8.02 (c) of these bylaws, shall be distributed without priority but on a patronage basis among all persons who are or have been members of the Association during the seven years next preceding the date of the filing of the certificate of election to dissolve; provided, however, that, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, and in lieu of such distribution, the Board may donate, or provide for the donation of, such surplus to one or more non-profit charitable or educational organizations that are exempt from federal income tax.

ARTICLE X

SEAL

SECTION 10.01. Seal. The corporate seal of the Association shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words, "Corporate Seal, Montana".

ARTICLE XI

FINANCIAL TRANSACTIONS

SECTION 11.01. 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 Association, and such authority may be general or confined to specific instances.

SECTION 11.02. 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 Association shall be signed by such officer or officers, agent or agents, employee or employees of the Association and in such manner as shall from time to time be determined by resolution of the Board.

SECTION 11.03. Deposits. All funds, except petty cash, of the Association shall be deposited from time to time to the credit of the Association in such financial institutions as the Board may select.

SECTION 11.04. Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service (herein "RUS") of the United States or America not less than ninety (90) days prior to the date upon which any proposed change in the monthly rates charged by the Association for telecommunications and information service becomes effective.

SECTION 11.05. Fiscal Year. The fiscal year of the Association 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 XII

MISCELLANEOUS

SECTION 12.01. Membership or Investment in Other Organizations. The Association shall not become a member of or purchase or acquire stock or other ownership interests in any corporation or other entity or organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or such proposed purchase, or acquisition of stock or other ownership interest, provided, however, that the Association may, upon authorization of the Board, become a member of, purchase stock or other ownership interests in or otherwise invest in:

- (a) any corporation or any other entity or organization which is organized to provide direct or auxiliary services to the Association or its members or for the purpose of engaging in or furthering the general purpose of rural telecommunications or information services that are of benefit to the Association or its members; or,
- (b) with the approval of the Administrator of RUS, if required, any other corporation, entity or organization, for the purpose of acquiring telecommunications and information facilities.

SECTION 12.02. Waiver of Notice. Any member or trustee may waive in writing any notice of a meeting required to be given by these bylaws. The attendance of a member or trustee at any meeting shall constitute a waiver of notice of such meeting by such member or trustee, except in case a member or trustee 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 12.03. Policies, Rules, and Regulations. The Board shall have power to make and adopt such policies, rules and regulations, not inconsistent with law, the articles of incorporation or these bylaws, as it may deem advisable for the management of the business and affairs of the Association.

SECTION 12.04. 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 RUS. The Board shall also, after the close of each fiscal year, cause to be made a full and complete audit by a certified public accountant of the accounts, books and financial conditions of the Association as of the end of such fiscal year. A report of such audit shall be submitted to the members at the next following annual meeting.

ARTICLE XIII

AMENDMENTS

SECTION 13.01. Amendments. These bylaws may be altered, amended or repealed by the affirmative vote of two-thirds of all the members present at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

Dated version with amendments, as adopted at the Annual Member Meeting on October 13, 2018.