



**RANGE**

By-Laws of  
Range Telephone Cooperative, Inc.

# Table of Contents

|  |    |
|--|----|
| By-Laws of Range Telephone Cooperative, Inc.....           | 1  |
| Table of Contents.....                                     | 2  |
| ARTICLE I.....   | 5  |
| Membership.....  | 5  |
| SECTION 1. Requirements for Membership.....                | 5  |
| SECTION 2. Evidence of Membership.....                     | 6  |
| SECTION 3. Joint Membership.....                           | 6  |
| SECTION 4. Conversion of Membership.....                   | 7  |
| SECTION 5. Purchase of Services.....                       | 7  |
| SECTION 6. Delivery of Service.....                        | 7  |
| SECTION 7. Termination of Membership.....                  | 7  |
| SECTION 8. Transfer of Membership.....                     | 8  |
| SECTION 9. Definition and Classifications.....             | 8  |
| ARTICLE II.....  | 8  |
| Rights and Liabilities of Members.....                     | 8  |
| SECTION 1. Property Interest of Members.....               | 8  |
| SECTION 2. Non-Liability for Debts of the Cooperative..... | 8  |
| SECTION 3. Cooperative and Member Property Rights.....     | 9  |
| ARTICLE III.....   | 9  |
| Meeting of Members.....                                    | 9  |
| SECTION 1. Annual Meeting.....                             | 9  |
| SECTION 2. Special Meetings.....                           | 9  |
| SECTION 3. Notice of Member's Meeting.....                 | 10 |
| SECTION 4. Quorum.....                                     | 10 |
| SECTION 5. Voting.....                                     | 10 |
| SECTION 6. Voting by Mail.....                             | 10 |
| SECTION 7. Voting List.....                                | 11 |
| SECTION 8. Order of Business.....                          | 11 |
| SECTION 9. Credentials and Election Committee.....         | 11 |
| ARTICLE IV.....  | 12 |
| Trustees and Committees.....                               | 12 |
| SECTION 1. General Powers.....                             | 12 |
| SECTION 2. Election and Tenure.....                        | 13 |
| SECTION 2.1. Tie Vote.....                                 | 13 |
| SECTION 3. Qualifications.....                             | 13 |
| SECTION 4. Nominations.....                                | 13 |
| SECTION 5. Removal of Trustees by Members.....             | 14 |
| SECTION 6. Vacancies.....                                  | 14 |
| SECTION 7. Compensation.....                               | 15 |
| ARTICLE V.....   | 15 |
| Meetings of Trustees.....                                  | 15 |
| SECTION 1. Regular Meetings.....                           | 15 |
| SECTION 2. Special Meetings.....                           | 15 |

|  |    |
|--|----|
| SECTION 3. Notice of Meeting.....  | 16 |
| SECTION 4. Quorum.....   | 16 |
| SECTION 5. Board and Committee Meetings by Remote Communication.....   | 16 |
| ARTICLE VI.....  | 16 |
| Officers .....   | 16 |
| SECTION 1. Number.....   | 16 |
| SECTION 2. Election and Term of Office.....  | 16 |
| SECTION 3. Removal of Officers and Agents by Trustees.....   | 17 |
| SECTION 4. President.....  | 17 |
| SECTION 5. Vice-President.....   | 17 |
| SECTION 6. Secretary.....  | 17 |
| SECTION 7. Treasurer.....  | 18 |
| SECTION 8. Manager.....  | 18 |
| SECTION 9. Bonds of Officers.....  | 18 |
| SECTION 10. Compensation.....  | 19 |
| SECTION 11. Reports.....   | 19 |
| SECTION 12. Trustee and Officer Indemnification.....   | 19 |
| ARTICLE VII .....  | 19 |
| Non-Profit Operation .....   | 19 |
| SECTION 1. Interest or Dividends on Capital Prohibited.....  | 19 |
| SECTION 2. Patronage Capital in Connection with Furnishing Telephone and Other<br>Communications Services..... | 19 |
| SECTION 3. Retention of Capital Credits.....   | 21 |
| ARTICLE VIII .....   | 22 |
| DISPOSITION AND PLEDGING OF PROPERTY.....  | 22 |
| SECTION 1. Disposition and Pledging of Property.....   | 22 |
| SECTION 2. Pledging of Property.....   | 22 |
| ARTICLE IX.....  | 22 |
| Seal .....   | 22 |
| ARTICLE X.....   | 22 |
| Financial Transactions.....  | 22 |
| SECTION 1. Contracts.....  | 22 |
| SECTION 2. Checks, Drafts, etc.....  | 22 |
| SECTION 3. Deposits.....   | 23 |
| SECTION 4. Policies, Rate Schedules and Contracts.....   | 23 |
| SECTION 5. Fiscal Year.....  | 23 |
| ARTICLE XI.....  | 23 |
| Miscellaneous.....   | 23 |
| SECTION 1. Membership in Other Organizations.....  | 23 |
| SECTION 2. Waiver of Notice.....   | 23 |
| SECTION 3. Rules and Regulations.....  | 23 |
| SECTION 4. Accounting System and Reports.....  | 24 |
| SECTION 5. Area Coverage.....  | 24 |
| ARTICLE XII.....   | 24 |
| Amendments.....  | 24 |



# ARTICLE I

## Membership

### **SECTION 1. Requirements for Membership.**

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

- (a) Complete an application for membership on such forms as the Cooperative shall prescribe; and
- (b) Agree to purchase Services from the Cooperative in accordance with established tariffs, as well as pay other charges for Services that the member uses and the Cooperative is obligated by law or contract to collect; and
- (c) Comply with and be bound by the Articles of Incorporation and By-Laws of the Cooperative and any rules and regulations and policies adopted by the Board of Trustees (hereinafter "Board") and
- (d) Pay such membership, 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
- (e) When necessary, execute and deliver to the Cooperative suitable grants of easements and rights-of-way on, over, under and across lands owned or otherwise controlled by the member and in accordance with such reasonable terms and conditions as the Cooperative shall require for purposes of furnishing Service to such member and to other members for the construction, operation, maintenance and relocation of the Cooperative's facilities; and satisfaction or facilitation of any obligation incurred or right granted by the Cooperative to third parties regarding the use of the Cooperative's property.

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

"Member" or "members" shall mean any person, as defined in MCA, §35-18-102(c) as that statute presently exists or hereinafter may be amended, who has agreed to purchase Service from the

Cooperative and has been accepted for membership by the Board of Trustees in accordance with these Bylaws.

“Patron” or “patrons” shall mean any person who purchases Services from the Cooperative, whether or not a Member.

The Board has the authority to determine, under rules of general application, all questions dealing with member or patron status as well as the types and amounts of revenue streams or the types and amounts of patronage that give rise to the privileges and obligations of membership.

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

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 and are neither members nor patrons by virtue of their purchase of such services.

## **SECTION 2. Evidence of Membership.**

Membership in the Cooperative 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 Cooperative.

## **SECTION 3. Joint Membership.**

A husband and wife 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 term “member” as used in these By-Laws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply with respect to the holders of a joint membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a 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;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute a 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 trustee, providing that both meet the qualifications of such office.

#### **SECTION 4. Conversion of Membership.**

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her spouse to comply with the Articles of Incorporation, By-Laws and rules and regulations and policies adopted by the Board.
- (b) Upon the death of either spouse, who is a party to the joint membership, such membership shall be deemed as held solely by the survivor, provided, however, the estate of the deceased member shall not be released from debts due the Cooperative.

#### **SECTION 5. Purchase of Services.**

Each member shall purchase Service from the Cooperative to the extent that and when such Service is available that meets the member's needs and shall pay for such Service therefore monthly at rates in accordance with established tariffs as fixed by the Board, or for the services rendered by other carriers at the rates and times which the Cooperative is obligated to bill and collect by contractual arrangements with other carriers. It is expressly understood that amounts paid for Service in excess of costs are furnished by members as capital, and each member shall be credited with the capital so furnished as provided in these By-Laws; however, the Cooperative is not obligated to furnish such credits for services which are not billed and collected by the Cooperative, even when such services are partially rendered over the facilities of the Cooperative. Each member shall also pay all amounts owed by him to the Cooperative as and when the same shall become due and payable.

#### **SECTION 6. Delivery of Service.**

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

#### **SECTION 7. Termination of Membership.**

- (a) The Board may, by the affirmative vote of not less than two-thirds of all Trustees, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, By-Laws, or any rules, regulations, or policies adopted by the Board, but only if such member shall have been given written notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of members at any annual or special meeting.

- (b) If a member fails or ceases to receive Service, or upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate and will be so recorded on the books of the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts and obligations due the Cooperative under these By-Laws or the rules, regulations and tariffs approved by the Board.

### **SECTION 8. Transfer of Membership.**

Upon the written request of the holder thereof, a membership may be transferred to another qualified person or entity.

### **SECTION 9. Definition and Classifications.**

- (a) The Cooperative may have one or more classes of members in order to recognize differences in contribution to margin of different classes. If the Board establishes more than one class of membership, it shall, by resolution, determine the definitions, the types, the qualifications and rights of each class and make such information readily available to the membership.
- (b) No member may hold more than one membership of each class in the Cooperative. No membership in the Cooperative shall be transferable, except on the books of the Cooperative and as provided for in these By-Laws.
- (c) Each time sharing or interval ownership premise is considered as a single member. The corporation, partnership or other entity holding or managing the property will be deemed to hold the membership.
- (d) Memberships in the Cooperative are extended only to individual persons (natural or corporate) who meet the requirements of Section 1.

## **ARTICLE II**

### **Rights and Liabilities of Members**

#### **SECTION 1. Property Interest of Members.**

Upon dissolution, after all debts and liabilities of the Cooperative shall have been paid and all capital furnished through patronage has been retired as provided in these By-Laws, the remaining property and assets of the Cooperative shall then be distributed among the members and former members in the proportion which the aggregate patronage of each member bears to the total patronage of all members during the ten (10) years next preceding the date of the filing of the certificate of dissolution.

#### **SECTION 2. Non-Liability for Debts of the Cooperative.**

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



debts or liabilities of the Cooperative.

### **SECTION 3. Cooperative and Member Property Rights.**

- (a) The Cooperative, 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 Cooperative 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 Cooperative'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 Cooperative's telecommunications and information services, provided, however, that the member shall indemnify and hold the Cooperative 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 III**

### **Meeting of Members**

#### **SECTION 1. Annual Meeting.**

The annual meeting of members shall be held at such time during the month of May in each year, as shall be determined by the Board of Trustees, and at such places as may be designated by the Board within, or immediately adjacent to, the Cooperative's service area. The time and place of the annual meeting will be designated in the notice of the meeting, which will be held for the purpose of electing trustees, passing upon reports for the previous year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

#### **SECTION 2. Special Meetings.**

Special meetings of the members may be called by resolution of the Board, or upon written request of any three (3) trustees, or of the President, or of not less than 200 members or ten percent (10%) of all the 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.

#### **SECTION 2.1 Remote Communication.**

The Board of Trustees at its discretion, may hold the annual meeting of the members, or any special meeting of the members, remotely by the use of remote communication. Remote communication includes communication made electronically, by conference telephone call, internet, remote technology, or other communication through which all participants in the meeting have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the members, pose questions, and make

comments.

### **SECTION 3. Notice of Member's Meeting.**

Written or printed notice stating the time and place of each meeting of members and, in the 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 each member either personally by mail or by another method not less than ten (10) days nor more than twenty-five (25) 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 Cooperative's assets is proposed, or at which any reorganization, merger or consolidation into another entity is proposed shall be given to each member, by mail, not less than ninety (90) days prior to such meeting. Such meeting notices shall be given by or at the direction of the Secretary or upon a default in 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 his address as it appears on the records of the Cooperative with postage thereon prepaid. 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 properly taken by the members at any such meetings.

### **SECTION 4. 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. Present in person includes any form of presence utilizing remote communication for meetings held by the use of remote communication. 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 5. Voting.**

Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions 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 By-Laws. No member shall attend or vote by proxy at any meeting of the members. Only members present in person at the meeting may vote. A member who is present by remote communication at a meeting held by the use of remote communication may vote by use of electronic voting in accordance with procedures established by the Board of Trustees. 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 Cooperative, 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 6. Voting by Mail.**

The Board of Trustees may cause to be submitted by mail ballot any question to be voted at any meeting of the members including the election of trustees. In such event the secretary shall cause to be mailed to each member along with the notice of the meeting, the ballot on each

question and a voting envelope. The ballot may be cast only in a sealed envelope which is authenticated by the member's signature. A vote so cast shall be counted as if the member were present and voting in person. The sealed ballot shall be addressed and returned to the home office of the Cooperative prior to the meeting of the members.

### **SECTION 7. Voting List.**

The Secretary shall make, at least fifteen (15) days before each regular meeting of the members, a complete list of members entitled to vote at such meeting. Such list shall be produced and kept open at said meeting and shall be subject to the inspection of any member during the meeting. Failure to comply with this provision shall in no way invalidate any action which may be taken by the Cooperative.

### **SECTION 8. Order of Business.**

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

- (1) Report on the number of members present in person in order to determine the existence of a quorum.
- (2) Reading of notice of the meeting and proof of the due publication of mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- (4) Presentation and consideration of report of officers, trustees, and committees.
- (5) Election of trustees.
- (6) Unfinished business.
- (7) New business.
- (8) Adjournment.

### **SECTION 9. Credentials and Election Committee.**

The Board of Trustees shall, at least ten (10) days before any meeting of the members, appoint a credentials and election committee consisting of an uneven number of Cooperative members - not less than three (3), nor more than five (5) who are not existing Cooperative employees, agents, officers, trustees or known candidates for trustee, and who are not close relatives (as defined in Article IV, Section 7) or members of the same household thereof. In appointing the Committee, the Board shall have regard for the equitable representation of the geographic areas served by the Cooperative. The Committee may elect its own Chairman and Secretary prior to the member meeting. It shall be the responsibility of the Committee to establish or approve the manner of conducting member registration and any ballot or other voting, to pass upon all

questions that may arise with respect to the registration of members in persons, or by proxy, to count all ballots or other votes cast in any election or in any other matter, to rule upon the effect of any ballots or other vote irregularity or indecisively marked or cast, to rule upon all other questions that may arise relating to member voting and the election of trustees (including but not limited to the validity of petitions of nomination or the qualification of candidates and the regularity of the nomination and election of trustees), and to pass upon any protest or objection filed with respect to any election or conduct affecting the results of any election. In the exercise of its responsibility, the Committee shall have available to it the advice of counsel provided by the Cooperative and the use of Cooperative employees that may be needed for clerical or administrative duties required by the Committee. In the event a protest or an objection is filed concerning any election, such protest or objection must be filed during, or within three (3) business days following the adjournment of the meeting in which the voting is conducted. The Committee shall thereupon be reconvened, upon notice from its chairman, not less than seven (7) days after such protest or objection is filed. The Committee shall hear such evidence as presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the Committee, by a vote of a majority of those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. The Committee may not affirmatively act on any matter unless a majority of the Committee is present. The Committee's decision (as reflected by a majority of those actually present and voting) on all matters covered by this section shall be final.

## ARTICLE IV

### Trustees and Committees

#### **SECTION 1. General Powers.**

The business and affairs of the Cooperative shall be managed by a Board of ten trustees, which Board shall exercise all the powers of the Cooperative except such as are by law, the Articles of Incorporation or these By-Laws conferred upon or reserved to the members.

The territory served or to be served by the Cooperative shall be divided into districts which shall be designated by the Board and shall be comprised of one or more entire areas assigned a telephone exchange prefix number. Not less than ninety (90) days before any meeting of the members at which trustees are to be elected, the Board shall review the composition of the districts keeping in mind the principal of geographic, population and minority representation and if it should be found that inequalities of representation have developed which can be corrected by re-delineation of the districts, the Board may reconstitute the districts so that each district shall contain as nearly as practicable the same number of members; provided, no area assigned a single telephone prefix number shall be divided to comply with this By-Law provision. The Board shall, further, in the event of expansion of the Cooperative boundaries, have the power to add such acquired territory into any existing district or districts, or establish a new district. The Board may not, however, change the number of trustees to serve on the Board which number can only be altered by a vote of the members. Each district shall be represented by at least one trustee who shall be elected as provided herein by these By-Laws.

## **SECTION 2. Election and Tenure.**

Trustees shall be elected at annual meetings of the members from nominations made as provided in Section 4 of the Article. Such election shall be by secret ballot when there is competition for the Board Seat(s) to be filled. In the event only one candidate has been nominated for a position on the Board, the provision for election by secret ballot may be suspended by the Board and the candidate shall be elected by acclamation of the members present at annual meeting. The candidate from each district and candidate at large receiving the highest number of votes at the meeting shall be considered elected as Trustee. Nine trustees will be elected as representatives of designated districts by the members residing in such districts and one trustee will be elected as a trustee-at-large. Trustees shall be elected by and from the members and those elected to office shall serve a three-year term until the third annual meeting following the annual meeting of their election, or until their successors have been elected and qualified. The terms of the trustees shall be staggered to obtain alternate term expirations to insure continuity in district representation.

### **SECTION 2.1. Tie Vote.**

In the event a trustee election results in a tie vote and continues to remain a tie vote following the expiration of all appeal and review procedures provided in Article III Section 10, then the trustee position may be filled by the affirmative vote of a majority of the remaining trustees for the duration of the term; provided, however, such appointee must be a resident of the same district as the trustee position being filled.

## **SECTION 3. Qualifications.**

No person shall be eligible to become or remain a trustee of the Cooperative who does not maintain his principal domicile in the area served by the Cooperative and in the district which that person is to represent. The trustee-at-large must be an enrolled member of the Northern Cheyenne Indian Tribe or the Crow Indian Tribe and must maintain their principal domicile within the exterior boundaries of the Northern Cheyenne or the Crow Indian Reservations. All trustees must be members of the Cooperative. No person shall be eligible to become or remain a trustee of the Cooperative who is in any way employed by or financially interested in a competing enterprise or a business engaged in selling communication service or supplies, or constructing or maintaining communication facilities, other than a business operating on a cooperative non-profit basis for the purpose of furthering rural telephone or other communications service.

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

## **SECTION 4. Nominations.**

It shall be the duty of the Board to appoint not less than sixty (60) days before the date of the annual meeting at which trustees are to be elected, a committee on nominations consisting of not less than two members from each district from which a trustee is to be elected, with due

consideration being given to the appointment of minority group members, so as to ensure equitable representation. The Nomination Committee shall select as many qualified candidates as the committee deems desirable for each position to be filled by election at a members' meeting. Three duly appointed members of the nominating committee present in person at a meeting of the committee, shall constitute a quorum thereof. No member of the Board of Trustees may serve on such committee.

The committee shall prepare and post as the principal office of the Cooperative at least forty (40) days before the annual meeting a list of nominations for trustees for each position to be filled by the election. Members of the nominating committee may not vote by proxy or by mail to select nominees. The members of the Nominating Committee may participate in a meeting of such Nominating Committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means constitutes presence in person at a meeting. Nothing in the foregoing shall preclude any member from voting at the annual election, in person, by mail or by proxy, for any position or upon any issue to which he may be entitled to vote as a member.

Any fifteen (15) or more members acting together may make other nominations by petition not less than thirty (30) days prior to the meeting and the Secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The Secretary shall mail with the notice of the meeting or separately, but at least ten (10) days before the date of the annual meeting, a statement of the numbers of trustees to be elected, and the names and addresses of the candidates, specifying separately the nominations made by the committee and the nominations made by petition, if any. The ballot to be used at the election shall list the name of the candidates nominated by the committee and the names of the candidates nominated by petition, if any.

#### **SECTION 5. Removal of Trustees by Members.**

Any member may bring charges against a trustee relative to the duties and responsibilities of the trustee's position, and by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members, or two hundred (200) members, whichever is the lesser, may request the removal of such trustee by reason thereof. Such trustee shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such trustee shall be considered and voted upon at the meeting of the members. No trustee shall be removed except by majority vote of the members. Any vacancy created by any such removal may be filled by vote of the members at such meeting without compliance with the foregoing provisions with respect to nominations. Each district shall be represented by at least one trustee who shall be elected by the members.

#### **SECTION 6. Vacancies.**

A trustee may resign at any time by written notice delivered to the Board, the President or

Secretary of the Cooperative. A resignation is effective when the notice is delivered unless the notice specifies a future date. The pending vacancy may be subject to the provision of Section 5 above with respect to filling vacancies caused by removal of a trustee by the members. A vacancy occurring on the Board may be filled by the affirmative vote of a majority of the remaining trustees for the unexpired portion of the term; provided, however, such appointee must be a resident of the same district as the trustee being replaced.

### **SECTION 7. Compensation.**

Board members and members appointed to serve on various committees 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.

No Board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the Board member or his/her close relative shall have been certified by the Board as an emergency measure. For the purpose of this section, close relative includes parents, husband, wife, children, grandparents, grandchildren, brothers, sisters, uncles, aunts, nephews and nieces, by blood, by marriage, or by adoption, and spouses of any of the foregoing.

## **ARTICLE V**

### **Meetings of Trustees**

#### **SECTION 1. 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 the principal office and place of business of the Cooperative or at such other place within the area served by the Cooperative as the Board may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

#### **SECTION 2. 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, and such meeting may be held at the principal office and place of business of the Cooperative or at such other place within the area served by the Cooperative as shall be designated in the notice of the meeting.



### **SECTION 3. Notice of Meeting.**

Written or telephonic notice of the time, place, (or telecommunications conference event) and purpose of any special meeting of the Board of Trustees shall be delivered to each trustee not less than five (5) days previous thereto personally, by mail, by email, or other means of telecommunication, by or at the direction of the Secretary, or upon default in duty by the Secretary, by the President, or the trustees calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the trustee at his address as it appears on the records of the Cooperative with postage thereon prepaid.

### **SECTION 4. 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 a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board.

### **SECTION 5. Board and Committee Meetings by Remote Communication.**

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 remote communication which includes communication made electronically, by conference telephone call, internet, remote technology, or other communication through which all participants in the meeting have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the Board of Trustees, pose questions, and make comments. 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 remote communication 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 VI**

### **Officers**

#### **SECTION 1. Number.**

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

#### **SECTION 2. Election and Term of Office.**

Officers shall be elected by ballot annually by and from the Board at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as 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 his successor shall have been elected and shall have qualified. Except as otherwise provided in these By-Laws, the vacancy in any office shall be filled by the Board for the unexpired portion of the term.

### **SECTION 3. Removal of Officers and Agents by 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 Cooperative will be served thereby. In addition, any member of the Cooperative may bring charges against an officer relative to the duties and responsibilities of the officer's position, and by filing with the Secretary such charges in writing together with a petition signed by ten percent (10%) of the members, or two hundred (200) members, whichever is the lesser, requesting 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 (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 him shall have the same opportunity. In the event the Board does not remove such officer, the question of his removal shall be considered and voted upon at the next meeting of the members.

### **SECTION 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 these By-Laws to some other officer or agent 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 his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the Board.

### **SECTION 6. Secretary.**

The Secretary shall be responsible for:

- (a) Keeping the minutes of the meeting of the members and of the Board in books provided for that purpose;

- (b) Seeing that all notices are duly given in accordance with these By-Laws or as required by law;
- (c) The safekeeping of the corporate books and records and the Seal of the Cooperative and affixing the Seal of the Cooperative to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized in accordance with the provisions of these By-Laws;
- (d) Keeping a register of the names and post office addresses of all members;
- (e) Keeping on file at all times a complete copy of the Articles of Incorporation and By-Laws of the Cooperative containing all amendments thereto (which copy shall be open to the inspection of any member) and at the expense of the Cooperative, furnishing a copy of the By-Laws and of all amendments thereto to each member, 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 him by the Board.

#### **SECTION 7. Treasurer.**

The Treasurer 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 the issuance of receipts for all such monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these By-Laws, 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 him 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 him.

#### **SECTION 9. Bonds of Officers.**

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

### **SECTION 10. Compensation.**

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

### **SECTION 11. Reports.**

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

### **SECTION 12. Trustee and Officer Indemnification.**

The Cooperative shall indemnify each trustee and officer of the Cooperative including the General Manager, former trustees, officers and general managers, against any threatened, pending or completed claim, demand, action, suit or proceeding (excluding those arising from such person's criminal act, willful misconduct, or improper personal benefit) made because of such person's office in the Cooperative or made because such person is serving or has served as a director, trustee or officer of another organization at the specific direction of the Board of Trustees of the Cooperative (but only to the extent that such person is not indemnified by the organization or insurance), against expenses (including reasonable attorney's fees), judgments, penalties, and amounts paid in settlement actually and reasonably incurred by such person in connection with such claim, demand, action, suit or proceeding. This indemnification shall inure to the benefit of the heirs and personal representatives of such person and shall include matters occurring prior to adoption of this provision. The Cooperative may maintain insurance to provide this indemnity or may maintain insurance coverage beyond the terms of this indemnity.

## **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 patrons.

#### **SECTION 2. Patronage Capital in Connection with Furnishing Telephone and Other Communications Services.**

In the furnishing of Services, the Cooperative's operations shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of Services in excess of operating costs and expenses properly chargeable against the furnishing of Services.

All such amounts in excess of operating costs and expenses at the moment of receipt by the

Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses derived from Services. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

The allocation of capital credits is in the discretion of the Board of Trustees of the Cooperative and the Board shall determine the manner, method, and timing of allocating capital credits. As reasonable and fair, the Cooperative may allocate capital credits to classes of similarly situated patrons under different manners, methods, and timing, provided the Cooperative allocates capital credits to similarly situated patrons under the same manner, method, and timing.

All non-operating income, including but not limited to, interest income, dividends, capital gains and income derived from subsidiary operations, may, in the sole discretion of the Board of Trustees of the Cooperative and to the extent permitted by law: (1) be reserved as unallocated, retained earnings and will not be allocated to the patrons as part of the patronage capital credited to patrons; and (2) be used for such business purposes the Board of Trustees determines to be in the best interest of the Cooperative and its patrons. In the event the Board of Trustees determines all or a portion of non-operating income shall be allocated to patrons, the Board of Trustees shall equitably allocate such non-operating income to patrons, that in the judgment of the Board of Trustees should appropriately share in that income.

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 patrons.

If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to the patrons' accounts may be retired in full or in part in an amount which exceeds the amount thereof necessary to: (1) defray expenses of the Cooperative and of the operation and maintenance of its facilities during such fiscal year; (2) pay interest and principal obligations of the Cooperative coming due in such fiscal year; (3) provide a reserve for the financing of the construction or acquisition by the Cooperative of additional facilities to the extent determined by the Board of Trustees; (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 Cooperative 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 in respect thereof required to be made during the next following fiscal year; (7) provide a fund, which shall 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 services made available by the Cooperative; and (8) make any other expenditure as authorized by law. Any such retirement of capital shall be made in such order of priority, and upon such basis and by such method as the Board, in its discretion, shall, from time to time, determine.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these By-Laws, the Board at its discretion, shall have the power at any time upon the death of any patron, who was a natural person, if the legal representative of the estate, surviving spouse or heir-at-law, thereof shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these By-Laws, to retire capital credited to any such patron immediately upon such terms and condition as the Board, acting under policies of general application, and the legal representative of such patron's estate shall agree upon; provided, however that the financial condition of the Cooperative will not be impaired thereby. The Board is not authorized to provide the early retirement of capital credited to any patron who is a firm, association, corporation, limited liability company, partnership, limited liability partnership, trust, or body politic or subdivision thereof.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provision of this Article of the By-Laws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

Whenever capital credited to a patron's account is to be retired, in whole or in part, the Cooperative is authorized to set off against the amount of capital due the patron any outstanding obligation due and owing the Cooperative from such patron.

### **SECTION 3. Retention of Capital Credits.**

Notwithstanding any other provision of the By-Laws, the Cooperative shall, upon the action of the Board of Trustees, retain any cash retirement of capital credits or other payments from the Cooperative allocated to its patrons that remain unclaimed for a period of five (5) years after the end of the year in which the capital credit retirements or payments are given. Any capital credit retirements or payments so retained by the Cooperative must be used for educational purposes as the Board, in its discretion, shall from time to time determine. Further, the Cooperative shall refund such retained payments to the patron upon the presentation of a valid claim by such patron whose payments have been retained by the Cooperative as provided herein. Capital credit retirements or payments remaining unclaimed within the meaning of the section shall include the failure of such patron or former patron to receive or cash any check.

## ARTICLE VIII

### DISPOSITION AND PLEDGING OF PROPERTY

#### **SECTION 1. Disposition and Pledging of Property.**

The Cooperative may not sell or otherwise dispose of all or any substantial portion of its total assets unless such sale or other disposition is:

- (a) Authorized at a meeting of the then-total members by the affirmative vote cast in person, without proxies, of at least two-thirds (2/3) of the total members of the Cooperative, and
- (b) Preceded by a notice of meeting at which such sale or other disposition is to be voted on.

#### **SECTION 2. Pledging of Property.**

The Board, without authorization by the members of the Cooperative shall have full power and authority to authorize the execution and delivery of a mortgage, or mortgages or a deed or deeds of trust upon, or the pledging or encumbrance of, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof, or to any other financing sources within the United States.

## 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 - Montana".

## ARTICLE X

### Financial Transactions

#### **SECTION 1. Contracts.**

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

#### **SECTION 2. Checks, Drafts, etc.**

All checks, drafts or other orders for the payment of money, and all notes, bonds or other

evidences of indebtedness issued in the name of the Cooperative shall be signed by such officer or officers, agent or agents, employee or employees of the Cooperative and in such manner as shall from time to time be determined by resolution of the Board.

### **SECTION 3. Deposits.**

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

### **SECTION 4. Policies, Rate Schedules and Contracts.**

The Board shall have the power to make, adopt, amend, abolish and promulgate such policies, rate classifications, rate schedules, contracts, membership fees, security deposits or any other types of deposits, payments or charges including contributions in aid of construction, not inconsistent with law, the Articles of Incorporation, or the By-Laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative, or cause such to be submitted for any appropriate governmental-regulatory approval.

### **SECTION 5. Fiscal Year.**

The fiscal year of the Cooperative shall begin on the first day of each year and shall end on the thirty-first day of December of the same year.

## **ARTICLE XI**

### **Miscellaneous**

#### **SECTION 1. Membership in Other Organizations.**

The Cooperative shall not become a member of or purchase stock in any other organizations 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 stock purchases, provided, however that the Cooperative may upon the authorization of the Board purchase stock or become a member of any corporation or organization organized on a non-profit basis for the purpose of engaging in or furthering the cause of area-wide rural telephone service, or of any other corporation for the purpose of acquiring telephone facilities or assuring more adequate telephone service to its members.

#### **SECTION 2. Waiver of Notice.**

Any member or trustee may waive in writing any notice of a meeting required to be given by these By-Laws. 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 and convened.

#### **SECTION 3. 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 By-Laws, 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, among other things, and subject to applicable laws and rules and regulation of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of RUS of the United States of America. After the close of each year, the Board shall cause to be made a full and complete audit of the accounts, books and the financial condition of the Cooperative. The audit period shall be the calendar year ending on December 31st of each year or it may be for the 12-month period ending on June 30th of each year, as shall be agreed upon by the Board and the auditor. Annual reports shall be submitted to the members at the next following annual meeting.

#### **SECTION 5. Area Coverage.**

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

## **ARTICLE XII**

### **Amendments**

These By-Laws may be altered, amended or repealed by the members at any regular or special meeting, provided that notice of such meeting shall have contained a copy of a proposed alteration, amendment or repeal.