

BY-LAWS
OF THE
HEART OF IOWA
COMMUNICATIONS
COOPERATIVE

Heart of Iowa Communications Cooperative

Revised

By-Laws

AMENDED BY-LAWS
OF
HEART OF IOWA COMMUNICATIONS COOPERATIVE

ARTICLE I

NAME

SECTION 1. This corporation shall be known as HEART OF IOWA COMMUNICATIONS COOPERATIVE.

ARTICLE II

MEMBERSHIP

SECTION 1. Eligibility. Any person, firm, association, corporation, or body politic or subdivision thereof will become a member of HEART OF IOWA COMMUNICATIONS COOPERATIVE (Hereinafter called the "Cooperative") upon receipt of telecommunications and/or information services (hereinafter referred to simply as "services") from the Cooperative. Membership is automatic and instantaneous upon receipt of service; however, each member shall:

- 1) Make an application for membership for the Cooperative's records;
- 2) Agree to purchase services from the Cooperative in accordance with established tariffs, as well as pay other charges for services that the member uses and the Cooperative is obligated by law or contract to collect;
- 3) Agree to comply with, and be bound by, the Articles of Incorporation and By-Laws of the Cooperative and any rules and regulations adopted by the Board.

SECTION 2. Membership certificates. Membership in the Cooperative shall be evidenced by a membership certificate which shall be in such form and shall contain such provisions as shall be determined by the Board.

SECTION 3. Transfer of Membership. No membership shall be transferable except as provided in Sections 4 in this Article.

SECTION 4. Joint Membership. No member may hold more than one membership in the Cooperative. A family unit living in one household consisting of parents, children, grandparents, stepchildren, foster children, shall be entitled to but one membership, even though such household may have more than one telephone listing. A husband and wife living together at the time membership is applied for are joint members. With respect to such joint memberships

- 1) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
- 2) The vote of either separately or both jointly shall constitute one joint vote;
- 3) A waiver of notice signed by either or both shall constitute a joint waiver;
- 4) Notice to either shall constitute notice to both;
- 5) Expulsion of either shall terminate the joint membership;
- 6) Withdrawal of either shall terminate the joint membership;
- 7) Either, but not both, may be elected or appointed as an officer or board member if individually qualified;
- 8) Any payments owing by the Cooperative to the joint members, whether for capital credits or otherwise, shall be made by check payable to the husband and wife or ex-husband and ex-wife jointly.
- 9) Upon the death of either spouse who is a party to the joint membership, such membership shall be converted to an individual membership. However, the estate of the deceased shall not be released from any debts due the Cooperative

SECTION 5. Purchase of Services. A member who applies for service shall, as soon as service is available, take service from the Cooperative. The member shall pay therefor monthly at rates in accordance with either established tariffs as fixed by the Board, or, for the services rendered by other carriers, at the rates which the Cooperative is obliged to bill and collect by contractual arrangements with other carriers. It is expressly understood that amounts received by the Cooperative for all services in excess of cost are furnished by members as capital so furnished as provided in these By-Laws. Each member shall also pay the above amounts owed to the Cooperative as and when the same shall become due and payable.

SECTION 6. Termination of Membership.

- 1) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, By-Laws. or rules and regulations adopted by the Board.

- 2) Upon the withdrawal, death, cessation of service or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or their estate from any debts due the Cooperative nor do unpaid bills release a member from their obligations under these By-Laws or rules and regulations approved by the Board.

ARTICLE III

RIGHTS AND LIABILITIES OF THE COOPERATIVE AND THE MEMBERS

SECTION 1. Service Obligations. The Cooperative will use reasonable diligence to furnish adequate and dependable services, but it cannot and does not guarantee uninterrupted services nor will it always be able to provide every service desired by each individual member.

SECTION 2. Cooperation of the Members in the Extension of Services. The cooperation of members of the Cooperative is imperative to the successful, efficient and economical operation of the Cooperative. Members who are receiving or who are requesting service shall be deemed to have consented to the reasonable use of their real property to construct, operate, maintain, replace or enlarge telephone and/or communications lines, overhead or underground, including all conduit, cables wires, surface testing terminals, markers and other apparatus under, through, across, and upon any real property or interest therein owned or leased or controlled by said member for the furnishing of telephone or communication service to said member, or any other member, at no cost to the Cooperative. When requested by the Cooperative, the member does agree to execute any easement or right-of-way contract on a form to be furnished by the Cooperative.

SECTION 3. Nonliability for Debts of the Cooperative. The private property of the members, except capital credits shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

ARTICLE IV

MEETINGS OF MEMBERS

SECTION 1. Annual Meeting. The annual meeting of the members shall be held the second Tuesday in March, or otherwise set by the Board with the place selected by the Board and which shall be designated in the Notice of the Meeting for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture of dissolution of the Cooperative nor affect the validity of any corporate action.

SECTION 2. Special Meeting. Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three (3) Board members, by the president, or

by not less than twenty percent (20%) of all the members and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board and shall be specified in the Notice of the special meeting.

SECTION 3. 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 mailed with first-class postage not less than ten (10) days nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the member at the address appearing on the records of the Cooperative, with postage thereon prepaid. The incidental or unintended failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

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

SECTION 5. Quorum. At any meeting of the members for which notice was given as provided in Section 3 of this Article, no certain number or percentage of members need be present to constitute a quorum. Those present may act upon any matter which it is proper to present at such meeting, except as may otherwise be provided in the Articles of Incorporation or these By-Laws.

SECTION 6. Voting. Each member shall be entitled to only one (1) vote upon each matter submitted to a vote at a meeting of the members. All issues with respect to voting shall be governed according to the latest edition of Rules of Order used by the Cooperative unless otherwise specified by law or the Articles of Incorporation. Voting by members other than natural persons, corporation, shall be allowed upon presentation to the Cooperative, prior to each member meeting, satisfactory evidence entitling the person presenting the same to vote. All questions, except those involving multiple choice issues or determinations, 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.

SECTION 7. Proxies. Voting by proxy shall not be permitted.

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 conducted essentially as follows, except as otherwise determined by the board:

- 1) Report on the number of members present.
- 2) Reading of the Notice of the Meeting and proof of the timely publication or mailing thereof, or the waiver or waivers of Notice of Meeting, as the case may be.

- 3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- 4) Presentation and consideration of reports of officers, trustees, and committees.
- 5) Election of Board members.
- 6) Unfinished business.
- 7) New business.
- 8) Adjournment.

ARTICLE V

BOARD MEMBERS

SECTION 1. General Powers. The business and affairs of the Cooperative shall be managed by a Board of Directors which shall exercise all of the power of the Cooperative except such as are by law, the Articles of Incorporation, or these By-Laws conferred upon or reserved to the members.

SECTION 2. Tenure of Office. Directors of the Cooperative shall be elected by and from the members to serve a five (5) year term, or until their successor shall have been elected and shall have qualified, and that the terms of the directors shall be staggered to insure continuity. Directors shall be nominated and elected as provided hereinafter.

The Cooperative is divided into eight (8) districts and from each shall be elected one director to the Board. Members shall be eligible to vote only for the director from their district.

The districts are set forth as follows, where highway boundaries are used, the boundaries correspond to the highway numbering on the date of adoption of the amendment.

- 1) **District No. One** is the area served by that part of the Union Exchange west of Highway S75 and that part of the Eldora Exchange which is west of S75 which turns into Z Ave up to the Steamboat Rock Exchange and all areas east of Highway S62 to the Eldora city limits and from east of V Ave. starting at Highway 175 north to the Steamboat Rock Exchange.
- 2) **District No. Two** is the area within the corporate city limits of Eldora.
- 3) **District No. Three** is the area served by the New Providence Exchange and part of the Eldora Exchange which extends west and northwest of the corporate city limits to the exchange boundary and runs south and north of Highway 175 to the exchange boundary excluding the area within the Eldora city limits plus the Steamboat Rock Exchange.

- 4) **District No. Four** is the area served by the Liscomb Exchange and that part of the Conrad Exchange which is west of Highway 14 and that part of the Union Exchange which is east of Highway S75 and that part of the Eldora Exchange which is east of Highway S75 which turns into Z Ave up to the Steamboat Rock Exchange.
- 5) **District No. Five** is the area served by the Albion Exchange.
- 6) **District No. Six** is the area served by the Green Mountain Exchange and that part of the Conrad Exchange which is east of J Ave. and north of 320th Street and east of Highway 14.
- 7) **District No. Seven** is the area served by the Haverhill, Laurel and Ferguson Exchanges.
- 8) **District No. Eight** is that part of the Conrad Exchange east of Highway 14 and south of 320th Street and west of J Ave.

The eight (8) districts will be divided into five (5) classes for election purposes only.

- 1) Class one will represent the following districts:

District One – Part of Union and part of Eldora
District Seven – Haverhill, Laurel and Ferguson

- 2) Class two will represent the following districts:

District Three – New Providence, part of Eldora and Steamboat Rock
District Five – Albion

- 3) Class three will represent the following districts:

District Four – Liscomb, part of Conrad and part of Union

- 4) Class four will represent the following districts:

District Six – Green Mountain and part of Conrad

- 5) Class five will represent the following districts:

District Two – Corporate Eldora
District Eight – Part of Conrad

Transition Election Years: To accommodate the change in term and number of directors the following elections for full terms shall be held at the time of the annual meetings as follows:

Class 5	Year 2003
Class 4	Year 2004
Class 3	Year 2005
Class 2	Year 2006
Class 1	Year 2007

SECTION 3. Qualifications to be nominated, to become, or remain a Director. Any member shall be eligible to be nominated, elected and remain a director of the Cooperative who:

- 1) Is at least twenty-one (21) years of age.
- 2) Resides in the geographic area from which he or she is elected, and has resided there for twelve (12) months. However, residency is not a requirement for members who are not natural persons. (A person who owns a business and does not live within one of our district may still be elected.)
- 3) Is not an employee of the Cooperative.
- 4) Is not in any way employed by or financially interested in a competing enterprise or a business engaged in selling communication services or communication supplies or maintaining communication facilities. However, this limitation shall not extend to the sale of equipment; nor to investment in the capital stock or securities of any corporation whose stock or securities are publicly owned or are regularly traded on any public exchange or market.
- 5) Is not closely related to an incumbent Director or an employee of the Cooperative. As used here, "Closely related" means a person who is either a spouse, child, grandparent, parent, brother, sister, aunt, uncle, nephew or niece, by blood or in law, of the principal. However, no incumbent director shall lose eligibility to remain a director or to be reelected as a director if he or she becomes a close relative of another incumbent director or of a Cooperative employee because of a marriage to which he or she was not a party; neither shall an employee lose eligibility to continue in the employment of the Cooperative if he or she becomes a close relative of a director because of a marriage to which he or she was not a party.

To remain a director, the incumbent must attend two-thirds (2/3) or more of the regular meetings during each twelve-month period beginning with the month of his/her election. Upon establishment of the fact that a director is in violation of any provisions of this Section, or of the Board of Directors Code of Conduct found in the Board Policies, he or she may be removed from office by majority vote of the other members of the Board.

Nothing in this Section shall affect in any manner whatsoever, the validity of any action taken at any meetings of the Board.

SECTION 4. Nominations. The president of the Cooperative will appoint a nominating committee at least 45 days before the annual meeting of members. The committee will consist of one member of the cooperative from each district that will be electing a director. The committee will nominate candidates for their directorships which expire at the next annual meeting of members. The nominating committee will report its nominations to the president at least 30 days before the annual meeting. The persons nominated will be placed on the ballot for election of directors. Additional candidates may be nominated by the filing of a petition at least 30 days before the annual meeting of members. The petition must be signed by at least 10 members of the district in which the candidate lives. These candidates will also be shown on the ballot. Names of competing candidates will be listed alphabetically on the ballot regardless of how nominated.

SECTION 5. Election of Directors. Each member of the Cooperative is entitled to one vote for a director in his or her district whose term expires at the next annual meeting of the Cooperative. At least 10 days before the annual meeting of the members the secretary of the Cooperative will mail to members in districts which will elect directors a written ballot containing the names of the candidates for the director position to be voted on. All ballots properly completed and received by the Cooperative at or before the commencement of the annual meeting of members will be counted. The result will determine the directors elected regardless of the number of members actually voting.

SECTION 6. Vacancies. Subject to the provisions of these By-Laws with respect to the filling of vacancies caused by the removal of Board members by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of the majority of the remaining Board members for the unexpired portion of the term, provided, however, that in the event the vacancy is not filled by the Board within sixty (60) days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members without nominations. However, any successor, whether chosen by the Board or the members, must reside in the same district as the vacant directorship and have the same qualifications for office as set forth in Section 3.

SECTION 7. Compensation. Members of the Board of Directors shall receive a fixed fee for each official meeting attended, including but not limited to accredited educational seminars, and regional or national meetings necessary for the smooth operation and to maintain the standing of the Cooperative, in such sum as the Board of Directors may decide from time to time. Board members shall also be reimbursed for expenses actually and necessarily incurred in carrying out Cooperative business such as attendance an accredited educational seminars, regional and national meetings as are necessary for the smooth operation and to maintain the standing of the Cooperative.

ARTICLE VI

MEETINGS OF THE BOARD

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 such time and place as designated by the Board. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof. A minimum of at least twelve (12) regular meetings shall be held each year. Unless specifically prohibited by law, meetings, regular or special, may be conducted through the use of conference telephone or other communications equipment by means of which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the persons so participating.

SECTION 2. Special Meetings. Special meetings of the Board may be called by the President or by any three (3) Board members, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The president or Board members calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 3. Notice of Board Meetings. Written notice of the time, place (or Telecommunications conference event) and purpose of any special meeting of the Board shall be delivered to each Board member at the direction of the secretary, or upon default in duty by the secretary, by the president or one of the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the Board member at his address as it appears on the records of the Cooperative, with the first-class postage thereon prepaid.

SECTION 4. Quorum. A majority of the Board shall constitute a quorum, provided, that if less than such majority of the Board is present at said meeting, a majority of the Board present may adjourn the meeting from time to time; and provided further, that the secretary shall notify all absent Board members of the time and place of such adjourned meeting. The act of a majority of the Board members present and voting at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided in these By-Laws or by the parliamentary procedure or special rules adopted by the Cooperative. Board members may not vote by proxy at regular or special Board meetings.

ARTICLE VII

OFFICERS

SECTION 1. Number and Titles. Except for the General Manager, the officers shall be elected by ballot, if there is a contest, and if not, by voice vote or any other method designated by the person presiding. The office of secretary and treasurer may be held by the same person.

SECTION 2. Election and Term of Office. Except for the General Manager, the officers shall be elected by ballot, if there is a contest, and if not, by voice vote or any other method designated by the person presiding. They shall be elected 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 a successor shall have been elected and shall have qualified. Except as otherwise provided in these By-Laws, a vacancy in any office shall be filled by the Board for the unexpired portion of the term.

SECTION 3. President. The president shall be the presiding officer at all meetings of the members. The president shall sign as president such documents as the president may be authorized to sign by the board of directors, shall be the official representative of the Cooperative at all meetings in which the Cooperative is entitled to representation and shall perform such other duties and acts usually required of the Office of President as may be prescribed by the Board from time to time.

SECTION 4. 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 or her by the Board.

SECTION 5. Secretary. The Secretary shall be responsible for:

- 1) Keeping the minutes of the meetings of the members and of the board in books prepared for that purpose;
- 2) Seeing that all notices are duly given in accordance with these By-Laws or as required by-law;
- 3) 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;
- 4) Keeping a register of the names and post office addresses of all members;
- 5) Keeping on file at all times a complete copy of the Articles of Incorporation and By-Laws of the Cooperative containing all amendments thereto and at the expense of the Cooperative, furnishing a copy of these By-Laws and of all amendments thereto to each member; and
- 6) In general performing all duties incident to the Office of Secretary and such other duties as from time to time may be assigned to him or her by the board.

SECTION 6. Treasurer. The treasurer shall be responsible for:

- 1) Custody of all funds and securities of the Cooperative;

- 2) The receipt of and the issuance of receipts for all 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; provided, however, that the treasurer shall have authority, with the approval of the Board, to delegate to the General Manager the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in the Section; and
- 3) The general performance of all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him by the Board; provided, however, with respect to the duties and responsibilities of the treasurer, and Cooperative shall indemnify and hold the treasurer harmless against any and losses, claims and/or damages which may be asserted against the treasurer, in his official capacity, unless such claim is a result of an act personally committed or omitted by the treasurer resulting in loss to the Cooperative.

SECTION 7. General Manager. The Board shall appoint a general manager who shall be required to be a member of the Cooperative. The general manager shall perform such duties as the Board may from time to time require and shall have authority as the Board may from time to time vest in him or her.

SECTION 8. Bonds. The Board shall require the treasurer and any other officer, agent or employee of the Cooperative charged with responsibility for the custody of any of its funds or property to 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 Cooperative to give bond in such amount and with such surety as it shall determine. The cost of all such bonds shall be borne by the Cooperative.

SECTION 9. Compensation. The powers, duties and compensation of officers, agents and employees shall be fixed or approved by the Board.

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

ARTICLE VIII

INDEMNIFICATION OF OFFICERS, BOARD MEMBERS, EMPLOYEES AND AGENTS

SECTION 1. Scope of Indemnification. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of the Cooperative) by reason of the fact that such person is or was a board member, officer, employee or agent of the Cooperative or who is or was serving at the request of the Cooperative as a board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses

(including attorney's fees) adjustments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interest of the Cooperative and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement conviction, or upon pleas of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

SECTION 2. Indemnification For Good Faith Action. The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action or suit by, or in the right of, the Cooperative to procure a judgment in its favor by reason of the fact that such person is, or was, a board member, officer, employee or agent of the Cooperative, or who is, or was, serving at the request of the Cooperative as a board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith, and in a manner such person reasonably believed to be in or not opposed to the best interests of the Cooperative. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of the duty of such person to the Cooperative, unless, and only to the extent that the Court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity of such expenses as the court shall deem proper.

SECTION 3. Cost of Defense Indemnified. To the extent that a board member, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article, in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

- 1) The cooperative will indemnify for only those expenses which are not paid to the board member, officer, employee, or agent by insurance or other source.
- 2) The cooperative will have a duty to indemnify to the full extent specified in section 499.58(A) and 496A.4(A), 1989 Code of Iowa. This article is not to be constructed to limit the terms of the sections of the Code of Iowa referred to above.

SECTION 4. Amount of Indemnification. Any indemnification under Sections 1 and 2 of this Article (unless ordered by a court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the board member, officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 1 and 2 of this Article. Such determination shall be made:

- 1) By the board by a majority vote of a quorum consisting of board members who were not parties to such action, suit or proceedings; or
- 2) If such a quorum is not obtainable, or even if obtainable, a quorum of disinterested board members so directs, by independent legal counsel In a written opinion: or
- 3) By the members.

SECTION 5. Expenses Advanced. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Cooperative in advance of the final disposition of such action, suit or proceeding, as authorized by the board in the specific case, upon receipt of an undertaking by or on behalf of the board member, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Cooperative as authorized in this Article.

SECTION 6. Rights of Persons Indemnified. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any By-Laws, agreement, vote of members or disinterested board members, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a board member, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

SECTION 7. Insurance Coverage. The Cooperative may purchase and maintain insurance on behalf of any person who is or was a board member, officer, employee or agent of the Cooperative, or who is or was serving at the request of the Cooperative as a board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

- 1) The cooperative will indemnify for only those expenses which are not paid to the board member, officer, employee, or agent by insurance or other source.
- 2) The cooperative will have a duty to indemnify to the full extent specified in section 499.58(A) and 496.4(A), 1989 code Iowa. This article is not to be constructed to limit the terms of the sections of the Code of Iowa referred to above.

ARTICLE IX

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 patrons. 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 Telecommunications and Information Services. In the furnishing of telecommunications and information 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 insure that the Cooperative will be operated 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 Communications and information services in excess of operating costs and expenses properly chargeable against the furnishing of such services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such 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; provided that individual notice of such amounts furnished by each patron shall not be required if the Cooperative notified all patrons of the aggregate amount of the such excess and provides a clear explanation of how each patron may compute and determine for themselves the specific amounts of capital so credited to them. All such amounts credited to the capital account of any patron shall have the same status as though it has 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.

All other non-operating income received by the Cooperative from its operations in excess of costs and expenses shall, insofar as permitted by law, be:

- 1) Used to offset any losses incurred during the current or any prior fiscal year, and
- 2) To the extent not needed for that purpose, the Board may either retain such income as a permanent reserve or allocate it to patrons on a patronage basis and any amount so allocated shall be included as part of the capital to be allocated to the accounts of the various classes of patrons in an equitable manner as approved by the Board.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be at the discretion and direction of the Board as to timing, method and type of retirement.

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 in a part of such patrons' premises served by the Cooperative unless the Board, acting under policies of general application, shall authorize other types of assignments. Patrons at any time may assign their capital credits back to the Cooperative and the Cooperative is authorized to negotiate capital credit settlement arrangements with bankrupt patrons.

At the time of retirement of capital credits, any bill for services owing the cooperative by a patron entitled to be paid the credits shall be deducted from the payment and applied to the patron's bill owed to the cooperative.

If a patron who is entitled to be paid for his or her capital credits cannot be located by the cooperative after a reasonable inquiry, that patron's capital credits shall be deemed to be donated to the cooperative, and may be canceled on the cooperative's books, unless other disposition is required by the Iowa "Disposition of Unclaimed Property Act".

Notwithstanding any other provision of these By-Laws, the Board, at its discretion, shall have the power to discount capital credits to present value and retire under either of the following circumstances:

- 1) Upon the death of any natural patron, if the legal representative of his or her estate shall request in writing that the capital credit for such patron be retired prior to the time such capital would be retired in a general retirement under provisions of these By-laws: or
- 2) At such time as a patron defaults in paying for fees and services providing by the cooperative, capital credit owed to such patron shall be discounted and applied to any such indebtedness. Any surplus shall remain as a capital credit.

Provided, however, that the financial condition of the Cooperative will not be impaired by discounting and retiring of capital credits.

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 contract with 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 provisions 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 or by publication distributed by the Cooperative to its patrons.

SECTION 3. Notification of Members/Patrons of Annual Allocation. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each year the amount of capital, if any, so furnished by each member or other patron is clearly reflected and credited in an appropriate record to the capital account of each member or other patron. The Cooperative shall within a reasonable time after the close of the year but not later than the filing date of the federal income tax return notify in writing each member or other patron of the amount of capital so credited to his account.

ARTICLE X

DISPOSITION AND PLEDGING OF PROPERTY

DISSOLUTION AND DISTRIBUTION OF SURPLUS ASSETS UPON DISSOLUTION

SECTION 1. Distribution of Surplus Assets on Dissolution. Any assets remaining after all debts and liabilities of the cooperative shall have been paid shall be disposed of pursuant to the provisions listed below. However, if in the judgment of the Board the amount of such surplus is too small to justify the expense of making such distribution, the Board may, in lieu thereof, 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 taxation.

- 1) All debts and liabilities of the Cooperative shall have been paid;
- 2) All capital furnished through patronage shall be retired as provided in these By-Laws;
and
- 3) All membership fee shall have been repaid, the remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member and former member bears to the total patronage of all such members and such former members on the date of dissolution unless otherwise provided by law.

ARTICLE XI

SEAL

SECTION 1. 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, Iowa".

ARTICLE XII

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 agent or employee of the Cooperative and in such manner, as shall from time to time be determined by resolution of the Board.

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

SECTION 4. Change of Rates. The Board of Directors shall have the power to change the rates charged by the Cooperative for services and shall also have the power to set the date that the same shall become effective.

ARTICLE XIII

MISCELLANEOUS

SECTION 1. Rules and Regulations. The Board shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rates schedules, contracts, security deposits and any other types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law, the Articles of Incorporation or these 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 regulatory approval.

SECTION 2. Membership in other Organizations. The Cooperative may become a member or purchase stock in other profit or nonprofit organizations, associations, partnerships or joint ventures when the Board finds that the general or long-term interests of its membership will be served by such investments or participation.

SECTION 3. Waiver of Notice. Any member or director may waive in writing any notice of a meeting required to be given by these By-Laws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

SECTION 4. Accounting Systems and Records. The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to the applicable rules and regulations of any regulatory body, shall conform to such accounting systems as may from time to time be designated by the administrator of the Rural Utilities Service of the United States of America or required by other institutions providing financing to the Cooperative. The Board shall also, after the close of each fiscal year, cause to be made a full and complete audit of the accounts, books and financial condition of the Cooperative as of the end of such fiscal year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

SECTION 5. Audit Committee.

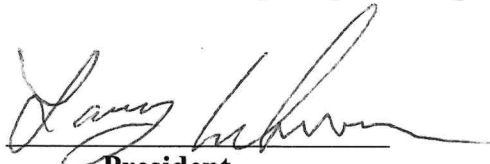
- 1) Establishment and Composition. The Board of Directors shall establish an Audit Committee consisting of three (3) directors each serving three (3) year staggered terms. Members of the Audit Committee shall be appointed by the President. No member of the Audit Committee shall serve longer than two full consecutive terms. (For purposes of determining “consecutive terms”, a partial term shall not be counted.) Appointments to the Audit Committee and the designation of chair person of the Audit Committee shall be made after the annual meeting each year.
- 2) Responsibilities of Audit Committee. The responsibilities of the Audit Committee shall include, but are not limited to:
 - a) Immediate oversight and review of the annual external audit.
 - b) Provide oversight for procedures for handling complaints regarding account or auditing matters.
 - c) Annual report to the Board of Directors, which report shall include a recommendation whether to retain or to hire a new certified public accounting firm to conduct the annual external audit. In the event the Board of Directors elect to hire a new certified public accounting firm, the Audit Committee shall participate in the selection process and shall make its recommendation know to the full board.

ARTICLE XIV

AMENDMENTS

SECTION 1. These By-Laws may be altered, amended or repealed by the affirmative vote of seventy-five percent of the directors in office, at any regular or special Board meeting, but only if the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal, or an accurate summary explanation thereof. These By-Laws, as may be amended by the directors, shall remain in force unless altered, amended, or repealed by a vote of seventy-five percent of the members present or represented having voting privileges, at any annual meeting or special meeting of the membership.

By resolution of the Board, these revised by-laws have been unanimously adopted on April 10, 2018.



President

ATTEST:



Secretary