

**AMENDED AND RESTATED BYLAWS
OF
SOUTH SLOPE COOPERATIVE TELEPHONE COMPANY
an Iowa cooperative association (the "Cooperative")**

ARTICLE 1
MEMBERSHIP

1.1 Restrictions on Membership. Membership in the Cooperative is nontransferable and is restricted to subscribers to membership-eligible service provided by the Cooperative who otherwise qualify for membership pursuant to the Articles of Incorporation and these Bylaws. As of the date of these Amended and Restated Bylaws, the categories of membership-eligible services are wireline voice and/or data service, wireless voice and/or data service and digital video or cable television service. The Board of Directors may from time to time designate other categories of membership-eligible service by resolution. No member may own more than one membership, regardless of the categories of service to which he, she or it subscribes.

1.2 Membership Certificates. Membership in the Cooperative may be evidenced by membership certificates, which may be in such form and contain such provisions as determined by the Board of Directors. Any certificates issued shall be signed by the President and by the Secretary. In case a certificate is lost, destroyed or mutilated, a new certificate may be issued therefor upon such uniform terms and indemnity to the Cooperative as the Board of Directors may prescribe.

1.3 Joint Membership. Spouses 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 Bylaws, shall be deemed to include spouses holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership. 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 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 a single joint vote;
- (c) A waiver of notice signed by either or both shall constitute a joint waiver;
- (d) Notice to either shall constitute notice to both;
- (e) Expulsion of either shall terminate the joint membership;
- (f) Withdrawal of either shall terminate the joint membership; and
- (g) Either, but not both, may be elected or appointed as an officer or director, provided that both meet the qualifications for such office.

1.4 Conversion to Joint 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 thereof and his or her spouse to comply with the Articles of Incorporation, Bylaws, and any rules and regulations adopted by the Board of Directors. Any outstanding membership certificate shall be surrendered, and may be reissued by the Cooperative in such manner as shall indicate the changed membership status.
- (b) Upon the death of either spouse who is a party to the joint membership, such membership shall be held solely by the survivor. Any outstanding membership certificate shall be surrendered, and may be reissued in such manner as shall indicate the changed membership status, provided, however, that the estate of the deceased shall not be released from any debts due the Cooperative.

1.5 Membership Fees; Purchase of Services. The Board of Directors may from time to time establish a membership fee. Unless and until a membership fee is established, there will be no membership fee. Each member shall take one or more membership-eligible services offered by the Cooperative and shall pay therefor monthly, at rates and on terms and conditions determined by the Board of Directors from time to time. It is expressly understood that amounts paid for any category of membership-eligible service in excess of the cost of service for that category of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in the Articles of Incorporation and these Bylaws. Each member shall pay all amounts owed to the Cooperative as and when the same shall become due and payable. If any member refuses or fails to pay his or her assessment or charge for service when due, his or her rights as a member of this Cooperative may be suspended by the Chief Executive Officer or Board of Directors, and service may be denied during the period the assessment or charge for service remains unpaid, all in accordance with applicable laws and regulations.

1.6 Lien on Memberships. The Cooperative shall have a first lien on memberships, membership and equity certificates, patronage capital and other equity interests standing on its books (including any earned but unallocated capital equity to be issued to the members as patronage dividends) for all indebtedness of the respective holders or owners thereof to the Cooperative. The Cooperative shall also have the right, exercisable at the option of the Board of Directors, to set off such indebtedness against the present value of such equity interests as determined from

time to time by the Board of Directors; provided, however, that nothing contained herein shall give the holder or owner of such equity interests any right to have such set-off made.

1.7 Termination of Membership. If the Board of Directors determines that a member has become ineligible for membership in the Cooperative or should otherwise be expelled for cause, such member shall have no rights or privileges on account of such membership in the management and affairs of the Cooperative, and the member may be expelled and his, her or its membership may be terminated by the Board of Directors. Membership may, at the discretion of the Board of Directors, be terminated for cause whenever the Board of Directors, by resolution approved by two-thirds (2/3) of the directors then in office, finds that a member:

- (a) has intentionally or repeatedly violated any provision of the Articles of Incorporation, Bylaws or duly adopted policies of the Cooperative;
- (b) is a telecommunications carrier or other provider of voice, video or data services that competes with the Cooperative in the provision of voice, video or data services or similar businesses determined by the Board of Directors to be in competition with the Cooperative, or is an affiliate, subsidiary, officer, director or key employee of such a carrier or provider if such person or entity is determined by the Board of Directors to pose a threat to the competitive interests of the Cooperative;
- (c) is a telecommunications carrier or other provider of voice, video or data services that leases, resells, or otherwise interconnects with or uses network elements of the Cooperative or is an affiliate or subsidiary of such a carrier or provider;
- (d) has failed or ceases to take, receive or pay for membership-eligible service furnished by the Cooperative;
- (e) has failed to pay a debt to the Cooperative when due and payable or has otherwise breached or is in default under any contract or agreement between the member and the Cooperative and fails to cure such breach or default within any applicable notice and cure period;
- (f) has willfully obstructed any lawful purpose or activity of the Cooperative; or
- (g) has died or is legally dissolved.

Upon termination of member's membership, the terminated member shall have no voting rights in the Cooperative. A terminated member's deferred patronage dividends shall be revolved or retired in the same manner as the deferred patronage dividends of other members, subject to any exceptions permitted or required by Iowa Code Chapter 499 and approved by the Board of Directors.

ARTICLE 2 RIGHTS AND LIABILITIES OF MEMBERS

2.1 Annual Meeting. The annual meeting of the members shall be held during the first quarter of the calendar year, or at such other time as the Board of Directors shall determine, at such time and such place within the area served by the Cooperative as is selected by the Board of Directors and designated in the notice of the meeting. The annual meeting shall be held for the purpose of electing directors, passing upon reports for the previous fiscal year, and transacting such other business as may come before the meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.

2.2 Special Meetings. Special meetings of the members may be called upon a written request signed by a majority of the directors, by the President, or by not less than fifty percent (50%) of all of 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 the area served by the Cooperative and specified in the notice of the special meeting.

2.3 Notice of Members' Meetings. Written notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) 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 United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. The failure of any member to receive notice of any annual or special meeting of the members shall not invalidate any action, which may be taken by the members at any such meeting.

2.4 Quorum. The presence of fifty (50) members in person shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. Minutes of each meeting shall contain a list of the members present in person.

2.5 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 Bylaws. Notwithstanding the preceding, the Board of Directors, in its discretion, may permit voting by mail ballot on any issue subject to or requiring a vote of the members.

2.6 Order of Business. The order of business at the annual meeting of the members and all other meetings of the members shall be determined by the President, except as may otherwise be determined by the Board of Directors. At a meeting of the members, only such business shall be conducted as has been properly brought before the meeting. To be properly brought before a meeting, business must be specified in the notice of meeting given by or at the direction of the Board of Directors, or otherwise properly brought before the meeting by or at the direction of the Board of Directors. In addition to any other applicable requirements, for business to be properly brought before a meeting by a member, the

member must have given timely notice thereof in writing to the Secretary of the Cooperative. To be timely, a member's notice must be delivered to or mailed and received at the principal office of the Cooperative not less than 50 days nor more than 75 days prior to the meeting. A member's notice to the Secretary shall set forth as to each matter the member proposes to bring before the meeting (i) a brief description of the business desired to be brought before the meeting and the reasons for conducting such business at the meeting, (ii) the name and address of the member proposing such business, and (iii) any material interest of the member in such business. The President of the Cooperative shall determine whether a member has properly brought the business before the meeting in accordance with the provisions of these Bylaws, and if the President shall determine that the business was not properly brought before the meeting, the business shall not be transacted.

ARTICLE 3 DIRECTORS

3.1 General Powers. The business and affairs of the Cooperative shall be managed by a board of not less than five (5) nor more than fifteen (15) directors, which shall exercise all of the powers of the Cooperative, except such as are by law, the Articles of Incorporation, or these Bylaws, conferred upon or reserved to the members. The number of directors within the preceding range serving on the Board shall be established from time to time by resolution of the Board.

3.2 Nomination, Election and Tenure of Office.

3.2.1 Directors shall be elected by written ballot at the annual meeting of the Cooperative and shall serve until the expiration of their terms or until their successors are elected and have qualified. Directors shall serve a term of three (3) years. The terms of the directors shall be staggered, with the terms of approximately one-third (1/3) of the directors expiring each year.

3.2.2 The nomination of directors of the Cooperative shall be by service area, provided that all directors shall be elected by vote of all members of the Cooperative. The Board of Directors may from time to time identify geographic service areas for the nomination of directors, corresponding to wireline telephone exchange areas served by the Cooperative, provided that not every wireline telephone exchange area served by the Cooperative need be a designated service area for director nominations. For purposes of nominating directors, members residing in any service area shall include those members residing within the designated wireline telephone exchange area(s), whether or not they are receiving wireline telephone service from the Cooperative. One board member shall be nominated from each designated service area. The balance of the members of the board shall be nominated at-large. Members not living within any designated service area shall be eligible to be elected at-large. No more than one at-large director may be from any single designated service area, and no more than one at-large director may be a member not living within any designated service area. Should a board member that is not an at-large board member move his or her place of residence from his or her service area, a vacancy in his or her office shall be declared by the board and a board member from said service area shall be named to fill the unexpired term as provided in Section 3.5.

3.2.3 Not less than thirty (60) nor more than one hundred twenty (120) days before the date of the annual meeting of the Cooperative at which members of the Board of Directors are to be elected, the Board of Directors shall appoint a Nominating Committee consisting of not less than three (3) members of the Cooperative residing in each service area. No member of the Board of Directors may serve on such committee. Following such appointments, the names and contact information of the members appointed to the Nominating Committee shall be promptly recorded and placed on file in Cooperative's records and made available by request and/or distributed to the members via postal mail, email, or other reasonable means of distribution. The Nominating Committee shall solicit nominations from the members and shall prepare and report to the Board of Directors a list of nominations for the election of directors. The list of nominations shall include at least one (1) and not more than two (2) candidates for each director position to be filled by election at the annual meeting. The Secretary of the Cooperative, or in his or her absence, a person designated by the President of the Cooperative, shall be responsible for reporting at the annual meeting (and shall cause the Cooperative to include in the notice of the annual meeting and/or in a separate written notice) the number of director positions to be filled at the annual meeting and the names and addresses of the candidates nominated by the Nominating Committee.

3.2.4 The names of the candidates nominated by the Nominating Committee shall be reported to the members not less than thirty (30) nor more than sixty (60) days prior to the date of the annual meeting. Subject to the qualifications set forth in these Bylaws, other nominations may be made by petitions of thirty (30) or more members residing within a designated service area (for service area nominations) or not living within any designated service area (for at large nominations), in either case submitted to the Cooperative not less than thirty (30) days prior to the annual meeting; provided that no more than (2) nominating petitions shall be accepted for any vacancy, which shall be the first two valid petitions received by the Cooperative. Nominations from the floor at the annual meeting shall not be permitted.

3.2.5 All members of the Cooperative in attendance shall be eligible to vote for each vacancy to be filled on the board, and directors shall be elected by a majority of the number of votes cast. In the event more than two members are nominated as candidates for a position and no candidate receives a majority of the votes, then an additional ballot must be taken for those two who received the highest number of votes on the original ballot so that one can be elected by receiving a majority of the votes.

3.3 Qualification. No person shall be eligible to become or remain a board member of the Cooperative who:

- (a) is not a member and bona fide resident of the particular exchange area which he or she is elected from;
- (b) is in any way employed by, or whose spouse is in any way employed by, or who has, or whose spouse has, a financial interest (other than a de minimus interest in a publicly held company) in: (i) a telecommunications carrier or other provider of voice, video or data services that competes with the Cooperative in the provision of voice, video or data services or similar businesses determined by the Board of Directors to be in competition with the Cooperative, or an affiliate or subsidiary of such a carrier; or (ii) a telecommunications carrier or other provider of voice, video or data services that leases, resells, or otherwise interconnects with or uses network elements of the Cooperative or an affiliate or subsidiary of such a carrier or provider; or
- (c) is a current employee or former employee of the Cooperative.

Upon establishment of the fact that a director is holding office in violation of this Section, the Board of Directors shall immediately remove such director from office. Nothing contained in this Section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

3.4 Removal of Directors by Members. Any member may bring charges against a director and, by filing with the Secretary such charges in writing, together with a petition signed by at least twenty percent (20%) of the members, may request the removal of such director by reason thereof. Such director shall be informed in writing of the charges at least ten (10) days prior to the meeting of the members at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. The question of the removal of such board member shall be considered and voted upon at the meeting of the members. Such board members shall be removed only for cause and upon an affirmative vote of a majority all voting members of the Cooperative. Cause for removal shall be deemed to exist only if the director whose removal is proposed has been convicted in a court of competent jurisdiction of a felony or has been adjudged by a court of competent jurisdiction to be liable for gross negligence or misconduct in the performance of such director's duty to the Cooperative, and such conviction or adjudication has become final and non-appealable.

3.5 Vacancies. Unless otherwise provided in these Bylaws, any vacancy in the Board of Directors may be filled by a majority vote of the remaining directors then in office for the unexpired portion of the term; provided the Board of Directors may leave unfilled for any such period as it may fix, any vacancy which does not result in fewer than five (5) total directors serving on the board.

3.6 Compensation. Directors shall not receive any salary for their services as such, except that the Board of Directors may by resolution authorize a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs or performing committee assignments when authorized by the Board of Directors. If authorized by the Board of Directors, directors may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable *per diem* allowance by the Board of Directors in lieu of detailed accounting for some of these expenses. No director shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a director be employed by or receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or certified by a majority of the disinterested directors as an emergency measure. For the purpose of this Section, "close relative" includes a grandparent, parent, husband, wife, child, grandchild, brother, sister, uncle, aunt, nephew or niece, by blood, by marriage or by adoption, and spouses of any of the foregoing.

ARTICLE 4 MEETINGS OF DIRECTORS

4.1 Regular Meetings. A regular meeting of the Board of Directors 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 of Directors shall also be held monthly at such time and place as the Board of Directors may provide by resolution. Such regular monthly meeting may be held without notice other than such resolution fixing the time and place thereof.

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

4.3 Notice of Directors' Meetings. Written notice of the time, place and purpose of any special meeting of the Board of Directors shall be delivered to each director not less than three (3) days prior thereto, either personally (including by telephone) or by mail, e-mail or other electronic transmission, by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President, or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the director at his or her address as it appears on the records of the Cooperative, with postage thereon prepaid.

4.4 Quorum. A majority of the Board of Directors shall constitute a quorum, provided, that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and, provided further, that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as otherwise required by the Articles of Incorporation or Iowa Code Chapter 499.

4.5 Place of Meetings. The Board of Directors may hold its meetings at such place or places, as the board may from time to time determine. A director may participate in any meeting by any means of communication, including, but not limited to telephone conference call, by which all directors participating are able to simultaneously hear each other during the meeting; and for purposes of taking any action at the meeting, any such directors shall be deemed present in person at the meeting.

4.6 Action Without a Meeting. Except to the extent the Articles of Incorporation or these Bylaws otherwise require that action by the Board of Directors be taken at a meeting, any action required or permitted to be taken by the Board of Directors may be taken without a meeting if each director signs a written consent describing the action to be taken and delivers it to the Cooperative. Any action so taken shall be the act of the Board of Directors when one or more consents signed by all of the directors are delivered to the Cooperative. The written consent or consents may specify the time at which the action taken is to be effective. Any action taken by this written consent procedure shall have the effect of action taken at a meeting of the directors. A director may withdraw his or her consent by revocation signed by the director and delivered to the Cooperative prior to the delivery to the Cooperative of unrevoked written consents signed by all of the directors.

ARTICLE 5 OFFICERS

5.1 Number. The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer, and such other officers as may be determined by the Board of Directors from time to time. Without limiting the preceding, the Board of Directors may from time to time appoint a Chief Executive Officer, who shall be an employee of the Cooperative having certain duties and authority as set forth herein. The offices of Secretary

and of Treasurer may be held by the same person. In its discretion, the Board of Directors may delegate the powers or duties of any officer to any other officer or agents, notwithstanding any provision of these Bylaws.

5.2 Election and Term of Office. The officers, excluding the Chief Executive Officer, shall be elected by ballot, annually by and from the Board of Directors at the meeting of the Board of Directors 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, excluding the Chief Executive Officer, shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his or her successor shall have been elected and shall have qualified. Except as otherwise provided in these Bylaws, the vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term; provided the Board of Directors may leave unfilled for any such period as it may fix, any office except those of President and Secretary.

5.3 Removal of Officers and Agents by Directors. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interest of the Cooperative will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in itself create contract rights. In addition, any member of the Cooperative may bring charges against an officer, and, by filing with the Secretary such charges in writing, together with a petition signed by ten percent (10%) of the members, or two hundred (200) members, whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board of Directors Meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him or her shall have the same opportunity. In the event the Board of Directors does not remove such officer, the question of his or her removal shall be considered and voted upon at the next meeting of the members.

5.4 President. The President shall:

- (a) Be the principal executive officer of the Cooperative and, unless otherwise determined by the members of the Board of Directors, shall preside at all meetings of the members and the Board of Directors;
- (b) Sign, with the Secretary, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws 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 of Directors from time to time.

5.5 Vice-President. In the absence of the President, or in the event of his or her 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 of Directors.

5.6 Secretary. The Secretary shall:

- (a) Keep the minutes of the meetings of the members and of the Board of Directors in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with these Bylaws or as required by law;
- (c) Be custodian of the corporate records and of the seal of the Cooperative (if any), and affix the seal of the Cooperative (if any) to all certificates of membership prior to the issue thereof and to all documents, the execution of which, on behalf of the Cooperative under its seal, is duly authorized in accordance with the provisions of these Bylaws;
- (d) Keep a register of the names and post office addresses of all members;
- (e) Sign, with the President, certificates of membership, the issue of which shall have been authorized by the Board of Directors or the members;
- (f) Have general charge of the minute book of the Cooperative;
- (g) Keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member), and, at the expense of the Cooperative, forward a copy of the Bylaws and of all amendments thereto to each member; and
- (h) In general, perform 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 of Directors.

5.7 Treasurer. The Treasurer shall:

- (a) Have charge and be responsible for all funds and securities of the Cooperative;
- (b) Be responsible for the receipt of, and the issuance of, receipts for all moneys due and payable to the Cooperative and for the deposit of all such moneys in the name of the Cooperative, in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and

- (c) In general, perform all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned to him or her by the Board of Directors.

5.8 Chief Executive Officer. In addition to its elected officers, the Board of Directors may from time to time appoint a Chief Executive Officer who shall be an employee of the Cooperative and who may be (but shall not be required to be) a member of the Cooperative. The Chief Executive Officer shall, subject to the control of the Board of Directors itself, manage the day-to-day business and affairs of the Cooperative, including oversight of legal and regulatory compliance for the Cooperative's business operations. Such authority shall expressly include but not be limited to the authority to sign all contracts, agreements and other instruments of the Cooperative and to prepare, approve, sign and file such reports, certifications, policies, documents or other instruments as may be required by the Federal Communications Commission, the Iowa Utilities Board, the National Exchange Carrier Association, the Universal Service Administrative Company, the Rural Utilities Service, CoBank, or any other third parties or governmental and regulatory authorities in connection with the day-to-day business operations of the Cooperative; provided that any loan agreements, mortgages, security instruments and other documents for the borrowing of money, guaranteeing of debt or mortgaging or pledging of corporate assets as collateral must be authorized by the Board of Directors. The Chief Executive Officer shall have such other duties and authority as, from time to time, may be assigned to him or her by the Board of Directors. The Chief Executive Officer shall keep the Board of Directors fully informed and shall freely consult with them concerning the business of the Cooperative in his or her charge.

5.9 Bonds of Officers. The Treasurer, and any other officer or agent of the Cooperative charged with responsibility for the custody of any of its funds or property, may be required to give a bond in such sum and with such surety as the Board of Directors shall determine. The Board of Directors, 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.

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

5.11 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 fiscal year. Such reports shall set forth the condition of the Cooperative at the close of such fiscal year.

ARTICLE 6 COOPERATIVE OPERATION

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

6.2 Allocation of Patronage Sourced Margins. The Cooperative is obligated to pay by credits to a capital account for each member within each separate category of service all amounts in excess of operating costs and expenses derived from that category of service and other patronage activities in connection with that category of service. Amounts paid for any category of membership-eligible service in excess of costs for that category of service are furnished by the members as capital. In making allocations of member capital, the Cooperative shall separately allocate the net earnings for separate categories of service and shall allocate the net earnings to member patronage accounts on the basis of the operating expenses and business done within each category of service. Net losses for any category of service shall be charged against future net earnings for that category service, and no patronage accounts shall be established with respect to a category of service unless and until all net losses for that category of service have been entirely restored. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of the fiscal year the amount of net earnings and net losses for each category of service and the amount of capital furnished by each member within each category of service is clearly reflected. In each fiscal year capital furnished by the members within a category of service shall be credited in an appropriate record to the patronage account of each member within that category of service, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each such member of the amount of capital so credited to his or her account.

6.3 Revolving Fund. The Board of Directors may use the revolving fund to pay the obligations or add to the capital of the Cooperative, all as provided in Iowa Code Section 499.33. In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits in each separate category of service shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If at any time prior to dissolution or liquidation, the board shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital credited to the members' accounts with respect to any category of service may be retired in full and in part. Any such retirements of capital shall generally be made in order of priority within each category of service according to the year in which the capital was furnished and credited, the capital first received by the Cooperative with respect to such service being retired first; provided, however, that if the board determines that the financial condition of the Cooperative will not be impaired thereby, the Cooperative may, to the extent permitted by law or these Bylaws, retire a portion of capital furnished or credited within any category of service without reference to priority in an amount and manner determined by the board.

Subject to the provisions of these Bylaws, capital credited to the patronage account of each member may be transferred or assigned only to successors in interest or successors in occupancy in all or part of such member's premises served by the Cooperative unless the board, acting under policies of general application, shall determine otherwise. Such transfers or assignments shall be effective only after written instructions from the transferor or assignor are received by the Cooperative and the appropriate changes are made on the books and records of the Cooperative. Except as provided in these Bylaws, a member shall not transfer, assign, sell, lease, mortgage, pledge as collateral, or otherwise dispose of or encumber such member's membership, certificate, voting rights, retirement, property or other rights or privileges, capital credited to the patronage account of such member, interest, dividends or any other rights of such member to payments or other distributions or entitlements due, from or in the Cooperative.

Notwithstanding any other provision of these Bylaws, the board at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of his or her estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the board, acting under policies of general application, and legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Notwithstanding any other provision of these Bylaws, the board, in its sole discretion, shall have the power to retire the capital credited to any member's account prior to the time such capital would otherwise be retired under the provisions of these Bylaws in order to facilitate the timely settlement of legal matters, including but not limited to the bankruptcy of a member, provided the interests of the Cooperative and its members are deemed to be furthered and the financial condition of the Cooperative will not be impaired thereby. In such cases, the board's decision to retire capital shall be considered on a case-by-case basis and capital retired shall be retired on terms and conditions as may be deemed appropriate by the board.

6.4 Reversion Fund. Notwithstanding any other provision of these Bylaws, if any member or former member's interest in the Cooperative is deemed abandoned under Iowa Code Section 556.5, the Cooperative may retain any disbursement held by the Cooperative for or owing to the member or former member in the Cooperative's reversion fund pursuant to Iowa Code Section 499.30A or deliver the disbursement to the treasurer of state for disposition as abandoned property pursuant to Iowa Code Section 556.5.

6.5 Member Contract. The members of the Cooperative, by dealing with the Cooperative acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Cooperative and each member, and both the Cooperative and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the Bylaws shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE 7 DISPOSITION OF PROPERTY

The Cooperative may not sell or otherwise dispose of all or substantially all of its property unless and until such action is recommended by the Board of Directors and approved by the members as provided in Iowa Code Chapter 499; provided, however, that notwithstanding anything herein contained, the board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all the property, assets, right, privileges, licenses, franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenue and income therefrom, all upon such terms and condition 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 the Rural Telephone Finance Cooperative, the National Rural Utilities Cooperative Finance Corporation or other financing institution organized the benefit of rural utility system; provided further that the board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another Cooperative or foreign corporation doing business in this State pursuant to the Act under which this Cooperative is incorporated.

ARTICLE 8 NON LIABILITY AND INDEMNIFICATION

8.1 Limited Liability. The debts, obligations and liabilities of the Cooperative, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Cooperative. Except as otherwise provided by law, a director, officer, employee, member or volunteer of the Cooperative is not liable for the Cooperative's debts or obligations, and a director, officer, member or other volunteer is not personally liable in that capacity, for a claim based upon any action or failure to take any action in the discharge of the person's duties, except liability for: (a) the amount of any financial benefit to which the person was not entitled; (b) an intentional infliction of harm on the Cooperative or its members; or (c) an intentional violation of criminal law. If Iowa law is hereafter changed to permit further elimination or limitation of the liability of directors, officers, employees, members or other volunteers for monetary damages to the association, then the liability of such director, officer, employee, member or other volunteer of the Cooperative shall be eliminated or limited to the fullest extent then permitted.

8.2 Indemnification. Except as otherwise provided by law, a director, officer, employee, member or other volunteer of the Cooperative, as well as each director, officer, employee, member or volunteer of the Cooperative who is serving or who has served at the Cooperative's request as a director, officer, partner, trustee, employee or agent of another cooperative, corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall be indemnified to the fullest extent possible by the Cooperative for liability to any person for any action taken, or any failure to take any action, as a director, officer, employee, member or other volunteer of this Cooperative, or as a director, officer, partner, trustee, employee or agent of another cooperative, corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, except with regard to any action, suit or proceeding by or in the right of the Cooperative or with respect to any liability for any of the following: (a) receipt of a financial benefit to which the person is not entitled; (b) an intentional infliction of harm on the Cooperative or its members; or (c) an intentional violation of criminal law. In order to be eligible for indemnification, a person must satisfy any and all applicable standards of conduct and liability set forth in Iowa Code Chapter 499 or corresponding provisions of the Iowa Business Corporation Act made applicable to cooperative associations in accordance with Iowa Code Chapter 499. The Cooperative's obligation to provide indemnification hereunder shall include the obligation to advance funds to pay for or reimburse the reasonable expenses incurred by a person who is a party to any proceeding for which indemnification is required. A person who seeks an advancement of funds hereunder must satisfy any applicable requirements therefor which are set forth in Iowa Code Chapter 499 or the Iowa Business Corporation Act. The rights and authority conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under Iowa Code Chapter 499, the Iowa Business Corporation Act, or any other statute, provision of the Articles of Incorporation or Bylaws of the Cooperative, agreement, vote of disinterested directors or otherwise. Any repeal or amendment of this Section 8.2 shall not adversely affect any right or protection of a director, officer, employee, member or other volunteer existing at the time of such repeal or amendment.

ARTICLE 9 FINANCIAL TRANSACTIONS

9.1 Contracts. Except as otherwise provided in these Bylaws, the Board of Directors 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.

9.2 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 of Directors.

9.3 Deposits. All funds of the Cooperative shall be deposited, from time to time, to the credit of the Cooperative in such banks or financial institutions as the Board of Directors may select.

9.4 Fiscal Year. The fiscal year of the Cooperative shall begin on the first day in January of each year, and shall end on the thirty-first day of December of the same year.

9.5 Change in Rates. Written notice shall be given to the Administrator of the Rural Utilities Service of the United States of America not less than ninety days prior to the date upon which the proposed change in the rates charged by the Cooperative for telephone service becomes effective.

ARTICLE 10 MISCELLANEOUS

10.1 Membership in Other Organizations. The Cooperative may become a member of, or purchase stock in, any other organization on adoption of an appropriate resolution by a majority of the Board of Directors.

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

10.3 Rules and Regulations. The Board of Directors shall have the power to make and adopt such rules and regulations not inconsistent with law, the Articles of Incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Cooperative.

10.4 Accounting System and Reports. The Board of Directors shall cause to be established and maintained, a complete accounting system which shall comply with all applicable laws and with all rules and regulations of any regulatory body having jurisdiction over the operations of the Cooperative. The Board of Directors shall also, after the close of each fiscal year, cause to be made a full and complete audit under the accounts, books, and financial condition of the Cooperative, as of the end of such fiscal year. The results of such audit shall be reported to the members at the next following annual meeting.

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

10.6. Facsimile and Electronic Signatures. In addition to the provisions for use of facsimile and electronic signatures elsewhere specifically authorized in these Bylaws, facsimile and electronic signatures of any director or officer of the Cooperative may be used whenever and as authorized by the Board of Directors or a committee thereof. An "electronic signature" is any electronic symbol or process attached to or logically associated with a document sent by electronic transmission and executed or adopted by a person with the intent to sign such document. "Electronic signature" includes without limitation (i) a unique password or unique identification assigned to a person by the Cooperative; (ii) a person's typed name attached to or part of an electronic transmission sent by or from a source authorized by such person such as an e-mail address provided by such person as that person's e-mail address; (iii) a person's facsimile signature; and (iv) any other form of electronic signature approved by the Board.

10.7. Electronic Transmissions. "Electronic transmission" or "electronically transmitted" means any process of communication not directly involving the physical transfer of paper that is suitable for the retention, retrieval, and reproduction of information by the recipient. Notice by electronic transmission is written notice. Notices and written consents may be given by electronic transmission. Each written consent given by electronic transmission shall contain an electronic signature of the person giving such written consent.

ARTICLE 11 AMENDMENTS

These Bylaws may be altered, amended or repealed by the Board of Directors or the members in the manner now or hereafter prescribed by Iowa Code Chapter 499.