

**RESTATED  
ARTICLES OF INCORPORATION OF  
VENTURE COMMUNICATIONS COOPERATIVE**

Articles of Incorporation of Venture Communications Cooperative, as amended at the annual meeting of the membership September 29, 2021.

**PREAMBLE**

**RESOLVED**, that Articles I through VIII, being all of the existing Articles of Incorporation of Sully Buttes Telephone Cooperative, Inc., hereby are repealed in their entirety; and that the following Restated Articles of Incorporation, which shall supersede existing Articles and Amendments, hereby are adopted:

**ARTICLE 1- NAME**

The name of this cooperative shall be VENTURE COMMUNICATIONS COOPERATIVE.

**ARTICLE II  
PURPOSES**

**SECTION 1.** The purposes for which this cooperative is formed is to furnish, improve and expand communication service on a cooperative basis;

**SECTION 2.** To borrow money, to make and issue bonds, notes and other evidence of indebtedness, secured or unsecured, for monies borrowed or in payment for property acquired, or for any of the objects or purposes of the cooperative and to secure the payment of such bonds, notes or other evidences of indebtedness by mortgage or mortgages, or deed or deeds of trust, upon, or by the pledge of or other lien upon, all or any of the property, rights, privileges or permits of the cooperative, wheresoever situated, acquired or to be acquired without limitation as to amount when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the members of the cooperative;

**SECTION 3.** To acquire, own, hold, use, exercise and, to the extent permitted by law, to sell, mortgage, pledge, hypothecate and in any manner dispose of franchises, rights, privileges, licenses, rights-of-way and easements necessary, and exercise all privileges of ownership, over such real or personal property, as may be necessary or convenient for the conduct and operation of the business of the cooperative, or incidental thereto, when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the members of the cooperative;

**SECTION 4.** To draw, make, accept, endorse, guarantee, execute, and issue promissory notes, bills of exchange, drafts, warrants, certificates, and all kinds of obligations and negotiable or transferable instruments for any purpose that is deemed necessary to further the objects for which this cooperative is formed, and give a lien on any of its property as security therefore when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the members of the cooperative;

**SECTION 5.** To acquire, own, and develop any interest in patents, trademarks and copyrights connected with or incidental to the business of the cooperative, when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the members of the cooperative;

**SECTION 6.** To cooperate with other similar cooperatives in creating central, regional, or national associations, for any of the purposes for which this cooperative is formed and to become a member or stockholder of such associations as now are or hereafter may be in existence, when authorized, and upon such terms and conditions as may be determined by the Board of Directors without the vote or consent of the members of the cooperative;

**SECTION 7.** To have and exercise, in addition to the foregoing, all powers, privileges, and rights conferred on ordinary corporations and cooperatives by the statutes of this State, and especially SDCL Chapters 47-15 through 47-20 inclusive, and laws amendatory thereto, and all powers and rights incidental or conducive to carrying out the purposes for which this cooperative is

formed; but the enumeration of the foregoing powers shall not be held to limit or restrict in any manner the general powers which may by law be possessed by this cooperative, all of which are hereby expressly claimed.

**SECTION 8.** To organize and maintain communication service, which shall include all communication, facilities or systems used in the rendition of such service.

### **ARTICLE III AREA OF COVERAGE**

**SECTION 1.** The cooperative shall have its principal place of business in the town of Highmore, South Dakota, and place of business of the cooperative may be established in such places and counties within and without the state of South Dakota in which said cooperative is authorized to operate as may be determined from time to time by the board of directors of said cooperative.

### **ARTICLE IV MEMBERSHIP**

**SECTION 1.** The cooperative shall be a non-profit organization and shall not have capital stock. The conditions of membership in the cooperative shall be provided in these Articles of Incorporation and in the Bylaws of the cooperative.

**SECTION 2.** Membership in this cooperative may be obtained and held only by those who shall patronize the cooperative. No member shall have more than one vote in any meeting of the cooperative. In the event the Board of Directors of the cooperative shall find, following a hearing, that any individual or entity has become a member of this cooperative who is not eligible for membership, said individual or entity shall have no rights or privileges on account of such membership, or vote or voice in the management or affairs of the cooperative (other than the right to participate in accordance with law in case of dissolution), and the cooperative shall have the right, at its option to terminate the membership by removing that individual's or entity's name from the Membership Record kept and maintained in the office of the cooperative and discontinue communication service of such individual or entity.

Termination of membership in any manner shall not release a member or a member's estate from any debts due the cooperative. This cooperative shall have a lien on all of the capital furnished through membership for all indebtedness of the holders thereof to the cooperative.

Upon dissolution, the assets of the cooperative shall be applied as follows: (1) to pay all debts and liabilities of the cooperative; (2) to retire all capital furnished through patronage as provided in the By-laws; (3) and the remaining property and assets of the cooperative shall be distributed among the current members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members unless otherwise provided by law.

### **ARTICLE V - DIRECTORS**

**SECTION 1.** The number of the directors of this cooperative shall be not less than five nor more than eighteen and shall be elected for staggered terms.

**SECTION 2.** No individual shall be eligible to become or remain a director of the cooperative who does not meet the qualifications as set forth in Article IV, Section 1, Sub-Section D of the Bylaws of the Cooperative. The establishment of the fact that a director is holding office in violation of any of the foregoing provisions shall operate as an automatic removal of such director from his/her position as director. Nothing contained in this article shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board of Directors.

**SECTION 3.** Directors shall be elected of the members from the territorial district from which the director is to be elected.

**SECTION 4.** To the fullest extent permitted by South Dakota law governing this cooperative as the same exists or may hereafter be amended, a director of this cooperative shall not be personally liable to the cooperative or its members for monetary damages for breach of fiduciary duty as a director, except for liability:

- (1) For any breach of the director's duty of loyalty to the cooperative or its members;
- (2) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

- (3) For any violation of SDCL § 47-17-7; or
- (4) For any transaction from which the director derived an improper personal benefit.

#### **ARTICLE VI - EXISTENCE**

The term for which this cooperative shall exist is perpetual.

#### **ARTICLE VII - AMENDMENTS**

These Articles of Incorporation may be amended in the manner provided for by statute.

### **BY-LAWS OF VENTURE COMMUNICATIONS COOPERATIVE**

BY-LAWS of Venture Communications Cooperative, as amended at the annual meeting of the membership September 29, 2021.

#### **ARTICLE I - MEMBERSHIP**

**SECTION 1. Requirements for Membership.** Any individual or entity, may become a member of Venture Communications Cooperative, (hereinafter called the "Cooperative") upon receipt of retail communications services from the Cooperative at a location within its established service area and the execution of a membership application in the form prescribed by the Cooperative.

- (a) Such application shall include agreement to the following terms and conditions:
  - (1) To purchase from the Cooperative communications and information services in accordance with the rates, terms and conditions specified by the Cooperative as an end user of such services;
  - (2) 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 of Directors (hereinafter called the "Board" or the "Board of Directors"); and
  - (3) To pay such membership, connection, re-connection, security, facilities extension, and construction fees and deposits as may be established or required by any rule, regulation, or policy adopted by the Board.
- (b) Purchasers of the Cooperative's services at wholesale, or otherwise for resale, shall not be eligible for membership or patronage credits with respect to such wholesale services. Local exchange carriers, interexchange carriers, wireless carriers, and any other carriers that participate with the Cooperative in the provision of communications and information services to customers are neither members nor patrons.
- (c) Membership shall become effective upon the date of commencement of service. Membership eligibility terminates upon disconnection of service; however, the Cooperative may provide for suspension of service during periods of temporary absence of a member.
- (d) No member may hold more than one membership interest in each class in the Cooperative, and no membership shall be transferable except by conversion as hereinafter provided; and
- (e) Such Member shall receive communications service from the Cooperative within the certified service territory of the Cooperative, as such certified service territory is defined by the applicable state regulatory authorities from time to time.

#### **SECTION 2. Membership Record.**

- (a) Membership in the Cooperative shall be evidenced by enrolling the name of a member upon the Membership Record kept and maintained in the office of the Cooperative which record shall be available for inspection by any person during regular office hours.
- (b) The Cooperative may have one or more classes of members in order to recognize differences in contribution to margin of different classes. If the Board establishes more than one class of membership, it shall determine the definitions, the types, the qualifications and rights of each class and make such information readily available to the members.

**SECTION 3. Joint Membership.** One or more persons may apply for a joint membership and subject to their compliance with the requirements of this Section I of this Article, may be accepted for such membership. The effect of the holders of a joint membership shall be as follows:

- (a) The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of meeting;

- (b) Each joint membership is entitled to only one 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;
- (g) Either but not both may be elected or appointed as an officer or director, provided that both meet the qualification for such office.

**SECTION 4. Conversion of Membership**

- (a) A membership may be converted to a joint membership upon the written request of the holder thereof and the agreement by such holder and his or her joint member to comply with the Articles of Incorporation, By-laws and any rules and regulations adopted by the Board of Directors.
- (b) Upon the death of either party to the joint membership, such membership shall be held solely by the survivor and appropriate record thereof shall be made upon the Membership Record after the Cooperative has been notified of the death; provided however, that the estate of the deceased joint member shall not be released from any debts due the Cooperative and the surviving member shall also be liable for such debts.

**SECTION 5. Membership and Service Connection Fee.** No membership fee shall be assessed to the applicant for communication service. A connection fee or charge for any additional amounts shall be paid by each member in accordance with the rules, regulations or tariffs as may be adopted by the Board.

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

**SECTION 7. Termination of Membership.**

- (a) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds (2/3) of all the directors, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, By-laws or any rules or regulations adopted by the Board, but only if such member shall have been given written notice by the Secretary that such failure makes him/her liable for expulsion and such failure shall have continued for at least ten (10) days after such notice was given. Any expelled member may be re-instated by vote of the Board or by vote of the members at any annual or special meeting. The membership of a member who has ceased to purchase communication service from the Cooperative, shall be cancelled.
- (b) Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of membership in any manner shall not release a member or his/her estate from any debts due to the Cooperative.
- (c) In case of withdrawal or termination of membership, the cooperative shall evidence such withdrawal or termination by removing the member's name from the Membership record kept and maintained in the office of the Cooperative.

**ARTICLE II  
RIGHTS AND LIABILITIES OF THE COOPERATIVE AND MEMBERS**

**SECTION 1. Service Obligations.** The cooperative will use reasonable diligence to furnish adequate and dependable 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 Members in Extension of Service.** The cooperation of the 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.

**SECTION 3. Property Interest of Members.** Upon dissolution after:

- (a) all debts and liabilities of the Cooperative shall have been paid.
- (b) all capital furnished through patronage shall have been retired as provided in these By-laws.

The remaining property and assets of the Cooperative shall be distributed among the current members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members, unless otherwise provided by law.

**SECTION 4. Non-Liability For Debts of the Cooperative.** The private property of the members shall be exempt from execution or other liability for the debts of the Cooperative and no member shall be liable or responsible for any debts or liabilities of the Cooperative.

### **ARTICLE III MEETING OF MEMBERS**

#### **SECTION 1. Meetings**

- (a) Annual Meeting. The annual meeting of the members of this cooperative shall be held annually on the date, hour, and place, or by any other means of communications as may be determined by the Board of Directors and designated in the notice of meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.
- (b) Special Meeting. Special meetings of the members may be called at any time by the President, or the Board, or 20 percent of the members; and such meeting shall be held on the date, hour, and place, or by other means of communication that the Board may determine as may be designated in the notice of meeting.
- (c) To the extent authorized by the Board of Directors and subject to guidelines and procedures adopted by the Board, an annual or special Meeting may be held without a geographic location if the meeting is held through other means of communication, including through the internet or other electronic communications technology in a manner: (1) permitting the cooperative to verify that each person participating in the meeting is a member; and (2) permitting members the opportunity to read or hear the proceedings concurrently with their occurrence, vote on matters submitted to the members, ask questions, and make comments.
- (d) Members participating in a member meeting through remote or electronic communications are deemed present and may participate in and vote at the member meeting if the cooperative has implemented reasonable measures to meet the requirements of Section 1c of this Article. If the Board of Directors authorizes participation through remote or electronic communication, then the notice of the member meeting shall describe the means of remote or electronic communication to be used.

**SECTION 2. Notice of Meetings.** Notice of all meetings shall be given personally, by mail, or by electronic transmission to each member at the member's address or electronic mail address as it appears on the records of this Cooperative not less than 10 days, nor more than 30 days, before the meeting at the direction of the person calling such meeting. The notice shall state the date, time and place or other means of communications, and in case of a special meeting, the purposes for which the meeting is called.

**SECTION 3. Postponement of a Meeting of the Members.** In the event of inclement weather or the occurrence of a catastrophic event, a meeting of the members may be postponed by the President, Vice President, or the Board of Directors. Notice of the postponed meeting shall be given by the President or by the President's designee in any media of general circulation or broadcast serving the area.

**SECTION 4. Quorum.** A quorum at any member meeting shall be 50 members present or represented by approved designation. If less than a quorum is present at any meeting, a majority of those present may adjourn the meeting to another time and date, provided that the Secretary shall notify any absent members of the time and date of the rescheduled meeting by delivering notice thereof as provided in Section 2.

**SECTION 5. Voting.** Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the Articles of Incorporation or these by-laws. The Board shall establish such methods and procedures for voting as shall be in the best interest of the Cooperative.

- (a) An individual, entity, or a joint member as limited in Article I, may become a member of this Cooperative but shall be entitled to only one vote.
- (b) Voting by proxy shall not be allowed.
- (c) Voting by mail shall not be permitted.
- (d) In the absence of written notice that some person has been designated to represent a member who is other than an individual, such member may be represented by any of its principal officers. An individual may represent more than one such member and may also vote as an individual if he/she is a member.

**SECTION 6. Order of Business.** The business to be addressed at the annual meeting of the members and so far as possible, at all other meetings of the members, shall be essentially as follows, except as otherwise determined by the members at such meeting:

- (a) Report on the number of members present or represented by approved designation in order to determine the existence of a quorum.
- (b) Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be, unless the reading is waived.
- (c) Reading of unapproved minutes of previous meeting of the members, unless the reading is waived, and the taking of necessary action thereon.
- (d) Report of Elections.
- (e) Presentation and consideration of reports of officers, directors and committees or their designees as necessary.
- (f) Unfinished business.
- (g) New business.
- (h) Adjournment.

#### **ARTICLE IV BOARD OF DIRECTORS**

**SECTION 1. Election.** The Board of Directors shall be comprised of not less than five nor more than eighteen Directors who shall be elected for a term of three (3) years each and until their respective successors shall have been elected and qualified. The procedure for electing Directors shall be:

**Sub-section A: Director Districts.** There are hereby established eleven "Director Districts" and Directors shall be nominated and one director shall be elected from each "Director District" in accordance with these By-laws. The Director Districts are:

- (a) District Number (1) shall include all of the area within the certified boundaries of the Blunt, Harrold, Onida, East Onida and West Onida exchanges
- (b) District Number (2) shall include all of the area within the certified boundaries of the Wessington Springs exchange.
- (c) District Number (3) shall include all of the area within the certified boundaries of the Highmore, Ree Heights, Seneca, and Orient exchanges.
- (d) District Number (4) shall include all of the area within the certified boundaries of the Gettysburg and Lebanon exchanges.
- (e) District Number (5) shall include all of the area within the certified boundaries of the Wessington, Tulare, and Hitchcock exchanges.
- (f) District Number (6) shall include all of the area within the certified boundaries of the Selby, Bowdle, and Roscoe exchanges.
- (g) District Number (7) shall include all of the area within the certified boundaries of the Britton exchange.
- (h) District Number (8) shall include all of the area within the certified boundaries of the Hoven, Tolstoy, Onaka, Faulkton, and Cresbard exchanges.
- (i) District Number (9) shall include all of the area within the certified boundaries of the Langford, Pierpont, and Roslyn exchanges.
- (j) District Number (10) shall include all of the area within the certified boundaries of the Rosholt exchange and the area outside of the Sisseton city limits ("Sisseton-rural") of the Sisseton exchange.
- (k) District Number (11) shall include all of the areas inside the city limits ("Sisseton – town") within the certified boundaries of the Sisseton exchange.

**Sub-section B. Nominations:**

- (a) Directors shall be nominated by a petition signed by not less than fifteen members who reside in the director district.
- (b) The nominating petition shall state the name and address of the person running for director, and the number of the district in which he/she is running; each member signing said petition shall also date his/her signature and place his/her address on the petition.
- (c) The petition shall be filed in the office of the cooperative in Highmore, South Dakota, not less than thirty days prior to the district election. Any petition received which has been mailed by first class mail, postage prepaid and post-marked thirty days prior to the district director election, shall be deemed to have been filed in sufficient time.
- (d) Not more than 120 days nor less than 60 days before the annual meeting of the cooperative, the Board of Directors shall set times and places in the district where a directorship will expire or become vacant for any reason, and a district director election shall be held at said times and places. At the district director election, a director shall be elected. The election shall be presided over by a director not up for re-election at that election, or an employee of the cooperative. A quorum at any district director election shall be five (5) members.
- (e) Not less than forty-five (45) days before the district director election(s), the secretary of the corporation shall mail to each member of a director district entitled to vote thereon a notice that there is or will be a vacancy in the director district, that any person who qualifies under the bylaws may run for that directorship, and that prior to running a petition must be signed by fifteen members of the district, and filed no later than thirty days before the district director election. The notice shall contain the dates, places, and times of said election(s), and shall also state that a petition in proper form may be requested from the cooperative headquarters and will be mailed to any member making said request.
- (f) If only one person files a petition in proper form within the proper time, the sole petitioner is elected, the election shall be cancelled, and the notice of cancellation shall be published in the official newspapers of general circulation in the district.

**Sub-section C. Election and Tenure of Office:**

- (a) At each district director election, the director shall be elected by ballot of the members residing in said district present at said election, as provided in these bylaws, to serve for a period of three years, or until his/her successor has been elected and shall have qualified, or to fill an unexpired term made vacant for any reason. The candidate for director receiving the highest number of votes shall be deemed elected. If there exists a tie vote between candidates, with the resulting failure of choice as to election of a director, such choice shall be determined by the drawing of lots under such procedure that all rights of the candidates involved in such tie are adequately safeguarded. In any district where more than one voting place is established for the district director election, the drawing of lots to determine the winner of a tie vote shall take place (1) at the most centrally located voting place of the district director election or (2) at a predetermined location set by the Board of Directors. If an election shall not be held on the day designated for the district director election, the Board of Directors shall cause an election to be held at a special election of the members in said district within a reasonable time thereafter. After a director has been elected at said election, the person presiding at the election shall file a report with the headquarters of the cooperative, stating that the election was held and the name of the director so elected. That report shall be submitted to the annual meeting, and the director shall assume his/her office immediately following the annual meeting of the cooperative.
- (b) No person may campaign or solicit votes for or against any candidate running for director at any designated polling place or within 100 feet of any entrance leading into a designated polling place.

**Sub-section D. Qualifications:** Any member shall be eligible to be nominated, elected, and remain a director of the Cooperative who:

- (a) Is a member and is at least 18 years of age.
- (b) Is not an employee of or in any way financially interested in a competing enterprise or a business engaged in selling communications equipment, materials, supplies or services to the cooperative, or in the construction or maintenance of communication facilities.
- (c) Is not employed by or financially interested in a business that makes significant sales of equipment, materials, supplies or services to the cooperative.
- (d) Resides in the geographic area from which he or she is elected, and has resided there for more than two hundred and forty (240) days during the last twelve (12) month period.

- (e) While a director and during the five (5) years immediately prior to becoming a director, not (1) be, nor have been, convicted of a felony; or (2) plead, nor have pled, guilty to a felony.
- (f) Is an individual member.
- (g) Is not indebted to the cooperative.
- (h) Has been a member of the cooperative for at least five years.

The establishment of the fact that a director is holding office in violation of any of the foregoing provisions, shall operate as an automatic removal of such director from his/her office as such. Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

**Sub-section E. Eligibility Of Former Employee For Board Membership And Former Board Member For Employment.**

No employee or former employee who is not a current director shall be eligible for election to the Board of Directors of the Cooperative or an entity controlled by the Cooperative or in which the Cooperative owns a majority interest (Cooperative Subsidiary) until five (5) years has passed since the termination of his or her employment. No Director or former Director shall be eligible for employment by the Cooperative or an entity controlled by the Cooperative or in which the Cooperative owns a majority interest (Cooperative Subsidiary) until five (5) years has passed since the expiration of his or her service as a Director.

**SECTION 2. General Powers.** The business affairs of the cooperative shall be managed by the Board of Directors which shall exercise all the powers of the cooperative except as are by law, the articles of incorporation or these by-laws conferred upon or reserved to the members.

**SECTION 3. Removal of Directors by Members.** Any member may bring charges against a director alleging misfeasance, malfeasance in office or challenging his/her qualifications or right of office. Members may bring charges by filing with the Secretary such charges in writing, together with a petition signed by at least thirty-five percent of the members of the district from which the director was elected requesting the removal of such director. Within twenty days of receipt of a petition, the Board shall set a special meeting of members in the district from which the director was elected. Such director shall be informed in writing of the charges at least ten days prior to the meeting of the members in the district from which the director was elected at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect to the charges, and the person or persons bringing the charges against him/her shall have the same opportunity. The question of the removal of such director shall be considered and voted upon at the meeting by the members in the district from which the director was elected and the decision of two-thirds of the members in said district present and voting shall constitute the decision of the membership.

**SECTION 4. Vacancies.** Any vacancy occurring in the Board, including a vacancy caused by the removal of a director by the members, may be filled by the affirmative vote of a majority of the remaining directors. The Board may also elect to hold a director election in the district where the vacancy occurred. In either case, the newly appointed or elected director must be a member from the same district as the vacancy occurred. The appointed or elected director will fill the unexpired term created by the vacancy.

**SECTION 5. Compensation.** Board members shall not receive any salary for their services as such, except that members of the cooperative 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. If the membership does not by resolution establish a fixed sum, then the Board is authorized to fix the sum. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business or granted a reasonable per diem allowance by the board in lieu of expenses. No director shall receive compensation for serving the cooperative in any other capacity, except Secretary or Treasurer, nor shall any close relative of a director receive compensation for serving the cooperative, unless payment and amount of compensation be specifically authorized by a vote of the members or the service by such director or close relative shall have been certified by the Board as an emergency measure. Only the following shall constitute a close relative of a director: husband, wife, brother, sister, son, daughter, father, mother, niece, nephew, son-in-law, daughter-in-law, brother-in-law, sister-in-law, mother-in-law, or father-in-law. All employees shall divulge any relationship to a director before the time of their employment.

**SECTION 6. Executive Committee.** The Board of the Cooperative may elect an executive committee consisting of four directors, which committee shall have all powers provided by statute.



**ARTICLE V  
MEETING OF DIRECTORS**

**SECTION 1. Regular Meeting.** Regular meetings of the Board shall be held at such date and time and by means of communication as determined by the Board of Directors and designated in the notice of meeting, provided that no less than one meeting shall be held each calendar quarter.

**SECTION 2. Special Meetings.** Special meetings of the Board may be called by the President or by any three 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 date, time and place or other means of communication for the holding of the meeting.

**SECTION 3. Notice of Directors Meetings.** Written notice of the date, time, and place or other means of communication, and purpose (if a special meeting) of any meeting of the Board shall be delivered to each director not less than five days previous thereto either personally, by mail, or by electronic transmission by or at the direction of the Secretary, or upon a default in duty by the Secretary, by the President of the directors calling the meeting. Such notice shall be deemed to be delivered: (a) if mailed, when deposited with the USPS, UPS, Federal Express, or other similar service, addressed to the director at his/her address as it appears on the records of the cooperative, with postage thereon prepaid; and (b) if electronically transmitted, when sent to the director at his/her electronic mail address as appears on the records of the cooperative.

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

**SECTION 5. Participation in Meetings.** A member of the board of directors or any committee designated by the board of directors may participate in a meeting of such board or committee by any means of communications through which the director may communicate and vote at the meeting. Participation by such means of communications constitutes presence or attendance at the meeting.

**ARTICLE VI - OFFICERS**

**SECTION 1. Number.** The officers of the cooperative shall be a president, vice president, secretary and treasurer; and any other officers designated by the Board of Directors.

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

**SECTION 3. Removal of Officers and Agents by Directors.** Any officer or agent elected or appointed by the board may be removed by the Board whenever in its judgment the best interests of the cooperative will be served thereby.

**SECTION 4. President.** The President shall:

- (a) be the principal executive officer of the cooperative and, unless otherwise determined by the members of the Board, shall preside at all meetings of the members and the Board.
- (b) sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments, authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these by-laws to some other officer or agent of the cooperative, or shall be required by law to be otherwise signed or executed; and
- (c) in general perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

**SECTION 5. Vice President.** In the absence of the President or in the event of his/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/her by the Board.

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

- (a) keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose.
- (b) see that all notices are duly given in accordance with these by-laws or as required by law;
- (c) be custodian of the corporate records and of the seal of the cooperative and affix the seal of the cooperative to all documents, the execution of which on behalf of the cooperative under its seal is duly authorized in accordance with the provisions of these by-laws;
- (d) keep a register of the names and official addresses of all members;
- (e) have general charge of the books of the cooperative
- (f) keep on file at all times, a complete copy of the articles of incorporation and by-laws 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 by-laws and of all amendments thereto to each member; and
- (g) in general perform all duties incident to the offices of Secretary and such other duties as from time to time may be assigned to him/her by the Board.

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

- (a) have charge and custody of and be responsible for all funds and securities of the cooperative;
- (b) be responsible for the receipt of and the issuance of receipts for all moneys, dues 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 by-laws; and
- (c) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Board.

**SECTION 8. Manager.** The Board shall have the power to employ a manager, define duties, fix compensation, and dismiss a manager at any time, with or without cause. The manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in the manager.

**SECTION 9. Compensation.** The powers, duties and compensation of officers, agents and employees shall be fixed by the Board, subject to the provision of these by-laws with respect to compensation for directors and close relatives of directors.

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

## **ARTICLE VII NON-PROFIT OPERATION**

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

**SECTION 2. Patronage Capital in Connection With Furnishing Communications and Information Services.**

- (a) In the furnishing of communications and information services the cooperative's operations shall be so conducted that all members will through their patronage furnish capital for the cooperative. In order to induce patronage and to assure that the cooperative will operate on a non-profit basis, the cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of communications and information services in excess of operations cost and expenses properly chargeable against the furnishing of such service.
- (b) All amounts in excess of operating cost and expenses at the moment of receipt by the cooperative are received with the understanding that they are furnished by the members as capital. The cooperative is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The method of allocating such credits shall conform to generally accepted practices of cooperatives. Computation and distribution of capital credits may be based on business done with particular departments, or in particular commodities, supplies or services, or upon classification of business according to type or nature thereof, as may be defined

and determined from time to time by the board of directors. The books and records of the cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his/her account. The individual capital accounts shall be maintained in a manner so that the capital furnished relative to the furnishing of communications and information services can be distinguished from the allocation of capital derived from non-operating and other income. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the cooperative corresponding amounts for capital.

- (c) At any time and in the discretion of the Board of Directors, if there are unpaid amounts owing by the member to the cooperative, the credits to the individual's capital account shall be applied in satisfaction of any debt to the cooperative prior to payment of the capital credits to the member or the member's estate.
- (d) 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 members' accounts may be retired in full or in part. Any such retirements of capital shall be at the discretion and direction of the Board as to timing, method and type of retirement, and may include the retirement of capital furnished from non-operating and other income on a cycle basis different from the retirement of capital furnished relative to communications and information services.

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

Notwithstanding any other provision of these by-laws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member, if the legal representative of his/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 by-laws, to retire capital credited to any such member immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the cooperative will not be impaired thereby. The Board of Directors, at its discretion, shall have the same power of early retirement upon the dissolution of any business member of the cooperative.

The members of the cooperative, by dealing with the cooperative, acknowledge that the terms and provisions of the articles of incorporation and by-laws shall constitute and be a contract between the cooperative and each 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 by-laws shall be called to the attention of each member of the cooperative by posting in a conspicuous place in the cooperative's offices.

- (e) All amounts received by the Cooperative as non-operating income, which shall include but not be limited to interest income, dividends, capital gains and other miscellaneous income, in excess of costs and expenses, may, at the discretion of the Board and insofar as permitted by law:
  - (1) Be reserved as unallocated retained earnings, and shall not be allocated to the Cooperative's members on a patronage basis as part of the capital credited to the accounts of members, as provided herein; and
  - (2) Be used for business purposes as determined by the Board.

## **ARTICLE VIII ENCUMBRANCE OF AND DISPOSITION OF PROPERTY**

Section 1 – Encumbrance of Property. The Board of Directors shall have the power, which may be exercised only by a majority vote of all the Directors, to authorize and approve the borrowing of money. The Board of Directors shall have the power, which may be exercised only by a vote of the majority of all of the Directors, to take any necessary action to secure any present or fu-

ture indebtedness of the Cooperative to the United States of America or any Department thereof or any Agency thereof or any instrumentality thereof, or any other lender by the giving of any security instrument, mortgage, security agreement covering the cooperative's rights, privileges, authority and franchises, revenues and any and all other property, real or personal.

Section 2 – Other Disposition of Property. The cooperative may not dispose of all or substantially all of the cooperative's assets except as authorized by the affirmative vote of not less than three-fourths (3/4) of all the members of the cooperative.

## **ARTICLE IX FINANCIAL TRANSACTIONS**

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

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

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

**SECTION 4. Fiscal Year.** The fiscal year of the cooperative shall begin on the first day of January of each year and shall end on the thirty-first day of December.

## **ARTICLE X - SEAL**

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

## **ARTICLE XI - MISCELLANEOUS**

**SECTION 1. Membership in Other Organizations.** The cooperative may become a member of or purchase stock in any other cooperative, corporation and other association complying with the laws of the State of South Dakota upon the affirmative vote of a majority of the board.

**SECTION 2. 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 ground that the meeting has not been lawfully called or convened.

**SECTION 3. Rules, Policies and Regulations.** The Board shall have power to make and adopt such rules, policies and regulations, not inconsistent with law, the articles of incorporation or these by-laws, as it may deem advisable for the management of the business and affairs of the cooperative.

**SECTION 4. Accounting Systems and Reports.** The Board shall cause to be established and maintained a complete accounting system which, among other things, and subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of RUS of the United States of America. The Board shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the cooperative as of the end of such fiscal year. Such audited financial statements shall be submitted to the members at the next annual meeting.

**SECTION 5. Indemnification.** The Cooperative may indemnify a director, officer, agent, or employee who is a party to a proceeding by reason of being a director, officer, agent, or employee, against liability incurred in the proceeding if the director, officer, agent, or employee:

- (a) Acted in good faith; and
- (b) Reasonably believed:

- (1) In the case of conduct in an official capacity, that the conduct was in the best interests of the Cooperative; and
- (2) In all other cases, that the conduct was at least not opposed to the best interests of the Cooperative; and
- (c) In the case of any criminal proceeding, had no reasonable cause to believe the conduct was unlawful.

The Cooperative shall indemnify a director, officer, agent, or employee who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director, officer, agent, or employee was a party by reason of being a director, officer, agent, or employee of the Cooperative, against reasonable expenses incurred in connection with the proceeding.

The Board by resolution may make any indemnification provided for herein. The Board by resolution may establish in advance an indemnification plan based upon a majority vote of a quorum of the Board. The Board may expend sums of money for coverage by insurance for all or any part of the indemnification provided for herein.

#### **ARTICLE XII - AMENDMENTS**

These By-laws may be altered, amended or repealed by a majority vote of the members voting at any regular or special meeting, provided that the notice of such meeting shall be mailed to the members and accompanying such notice as mailed, shall be a copy of the proposed alteration, amendment or repeal.

#### **ARTICLE XIII - NOTICE**

Notice of meetings of Directors or members, for any and all purposes as may be provided for in these amended by-laws shall be deemed to have been given when (a) mailed, when deposited with USPS, UPS, Federal Express, or other similar service addressed to the Directors or members at their addresses as shown by the records of the cooperative, with postage thereon pre-paid; or (b) electronically transmitted, when sent to a Director or member at the Director's or member's electronic mail address shown in the Cooperative's records. Notice of change of address shall be given by the Director or member to the Secretary or properly designated employee of the cooperative and the responsibility of delivering such notice of change of address shall be that of the Director or member affected whereupon the Secretary shall cause the listing of address to be changed in the records of the cooperative.