



COOPERATIVE BY-LAWS

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Restated By-Laws of the
Chequamegon Communications Cooperative, Inc.

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**RESTATED BY-LAWS
OF
CHEQUAMEGON COMMUNICATIONS COOPERATIVE, INC.**

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**ARTICLE I
MEMBERSHIP**
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Section 1.1 Eligibility

Any person, firm, association, corporation, limited liability company, partnership, limited liability partnership or body politic will become a member upon receipt of retail communications services from the Cooperative. Customers of the Cooperative's subsidiary companies and outside of the Cooperative's ILEC area are not eligible for membership. Membership is automatic and instantaneous upon receipt of service; however, each member shall:

- (1) Make a written application for membership for the Cooperative's records;
- (2) Agree to purchase services from the Cooperative in accordance with established tariffs, as well as pay other charges for services the member uses and the Cooperative is obligated by law or contract to collect;
- (3) Agree to comply with, and be bound by, the Articles of Incorporation and By-Laws of the Cooperative and any rules and regulations adopted by the Board; and
- (4) Allow membership eligibility to terminate upon disconnection of service; however, the Board may provide for suspension of service during periods of temporary absence of a member.

The status of all memberships shall be as reflected upon the books of the Cooperative and no membership certificates will be issued.

Section 1.2 Definitions and Classifications

- (1) 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 membership.
- (2) Exchange and interexchange carriers who participated with the Cooperative in the provision of telecommunications services to members are neither members nor patrons by virtue of division of revenue contracts.

- (3) Each time sharing or interval ownership premise is considered as a single cooperative member. The owner of seasonal, recreational and short-interval rental properties will be deemed to hold the membership. No membership in the Cooperative shall be transferable, except on the books of the Cooperative and as provided in these By-Laws. No member may hold more than one membership of each class in the Cooperative.
- (4) All memberships in the Cooperative are extended only to individual persons (natural or corporate) who meet the requirements of Section 1.1. Memberships formerly issued to husbands and wives, previously referred to as joint memberships, will be allowed to continue. However, from the date of this current edition of By-Laws, no new joint memberships will be established. Individual membership will be freely transferable on the books of the Cooperative between any persons in the same household or corporation upon request in writing. Thus, the term "member" as used in these By-Laws, shall refer to an individual but can, on a grandfathered basis, be deemed to include a husband and wife still 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:
 1. The presence at a meeting of either or both shall be regarded as the presence of one member and shall constitute a joint waiver of notice of the meeting;
 2. The vote of either separately or both jointly shall constitute one joint vote;
 3. A waiver of notice signed by either or both shall constitute joint waiver;
 4. Notice of either shall constitute notice to both;
 5. Expulsion to either shall terminate the joint membership;
 6. Withdrawal;
 7. Either, but not both, may be elected or appointed as an officer or board member if individually qualified;
 8. Upon the death of either spouse who is a party to the joint membership, such member shall be converted to an individual membership. However, the estate of the deceased shall not be released from any debts due the Cooperative.

Section 1.3 Membership Types

- (1) Class A membership will be assigned to all members who receive services within the Cooperative's service areas. Class A members will have full voting privileges.
- (2) The Cooperative may establish other classes of members in order to recognize differences in types of services. If the Board establishes other classes of membership, it shall determine the definitions, the types, the qualifications and rights of each class and make such information readily available to the membership.

Section 1.4 Purchase of Services

Each member who applied for service shall, as soon as service is available, take service from the Cooperative. The member shall pay therefore monthly at rates accordance with either established tariffs as fixed by the Board, or for the services rendered by other carriers, at the rates which the Cooperative is obliged to bill and collect by contractual arrangements with other carriers. It is expressly understood that amounts received by the Cooperative for all services in excess of costs are furnished by members from the moment of receipt as capital, and each member shall be credited with the capital so furnished as provided in these By-Laws. However, the Cooperative is not obligated to furnish such credits for services which are not billed and collected by the Cooperative, even when such services are partially rendered over the facilities of the Cooperative. Each member shall pay the amounts owed by him to the Cooperative as and when the same shall become due and payable.

Section 1.5 Termination of Membership

- (1) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by affirmative vote of not less than two-thirds of all members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, By-Laws, or rules or regulations adopted by the Board, but only if such member shall have been given notice by the Cooperative that such failure makes him liable to expulsion and such failure shall have continued for at least ten days after such notice was given. Any expelled member may be reinstated by vote of the Board or by vote of the members at any annual or special meeting.
- (2) Upon the withdrawal, death, cessation of service or expulsion of the member, the membership of such member shall thereupon terminate and will be so recorded on the books of the Cooperative. Termination of membership in any manner shall not release a member or his estate from any debts due the Cooperative nor do unpaid bills release a member from his obligations under these By-Laws or rules and regulations approved by the Board.

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ARTICLE II
RIGHTS AND LIABILITIES OF THE
COOPERATIVE AND THE MEMBERS
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Section 2.1 Service Obligations

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

Section 2.2 Cooperation of the Members in the Extension of Services

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 to construct, operate, maintain, replace or enlarge telephone and/or communications lines, overhead or underground, including all conduit, cables, wires, surface testing terminals, markers and other appurtenances under, through, across and upon any real property or interest therein owned or leased or controlled by said member for the furnishing of telephone or communication services to said member, or any other member, at no cost to the Cooperative. When requested by the Cooperative, the member does agree to execute any easement or right-of-way contract on a form to be furnished by the Cooperative.

Section 2.3 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.

Section 2.4 Property Interest of Members Upon Dissolution

Upon dissolution, after:

- (1) All debts and liabilities of the Cooperative shall have been paid;
- (2) All capital furnished through patronage shall be retired as provided in these Bylaws;

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

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ARTICLE III
MEETINGS OF MEMBERS
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Section 3.1 Annual Meeting

The annual meeting of the members shall be held at a date, within six months after the close of the fiscal year, at a place within a county where the Cooperative operates, as selected by the Board, and shall be designated in the notice of the meeting for the purpose of electing Board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make

adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative nor affect the validity of any corporate action.

Section 3.2 Special Meetings

Special meetings of the members may be called by the President, by resolution of the Board of Directors, or upon written request signed by at least twenty percent of all Class A 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 a place within a county where the Cooperative operates, as selected by the Board, and shall be designated in the notice of the special meeting

Section 3.3 Notice of Member's 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 seven (7) nor more than thirty (30) days before the date of the meeting, either personally or by mail, or at the direction of the President, or upon default and duty by the President, by the persons calling the meeting, to each member. If mail, such notice shall be deemed to be delivered when deposited in the U. S. Mail addressed to the member at his/her address as it appears on the records of the Cooperative, with postage thereon prepaid. The incidental or unintended failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting.

Section 3.4 Quorum

A quorum of a meeting of the members shall be at least fifty (50) Class A members and further accepting, that at a meeting of the members of an election district, the number of Class A members required to constitute a quorum shall be no less than the number of the Board of Directors. Members represented by signed ballots may be counted in computing a quorum only on those motions for which the signed ballots were submitted.

Section 3.5 Ballot Clerks

- (1) A minimum of three (3) ballot clerks shall be appointed by the Board prior to or at the Annual Meeting. It shall be the responsibility of the clerks to establish or approve the manner of conducting any ballot or other voting, to rule upon the effect of any election or in any other matter, to rule upon the effect of any irregularity in voting or marking of any ballot, and to sign a ballot certification form certifying the results of each election.
- (2) Appointed ballot clerks shall not be existing Cooperative employees, agents, officers, Directors, or known candidates for Director, and may not be close relatives (as hereinafter defined) or members of the same household thereof.

- (3) Any protest or objection concerning any election must be filed with the Cooperative within three (3) business days following the adjournment of the meeting in which the voting is conducted. The ballot clerks shall then meet, upon notice, not less than seven (7) days after such protest or objection is filed. The ballot clerks shall hear such evidence as presented by the protestor(s) or objector(s), who may be heard in person, by counsel, or both, and any opposing evidence; and the ballot clerks, by a vote of a majority of those present and voting, shall, within a reasonable time, but not later than thirty (30) days after such hearing, render its decision, the result of which may be to affirm the election, to change the outcome thereof, or to set it aside. In the exercise of its responsibility, the ballot clerks shall have available to them the advice of counsel provided by the Cooperative.
- (4) The ballot clerks may not affirmatively act on any matter unless a majority of the ballot clerks are present. The ballot clerk's decision (as reflected by a majority of those actually present and voting) on all matters covered by this section shall be final.

Section 3.6 Voting

Each Class A member shall be entitled to only one vote upon each matter submitted to vote at a meeting of the members. Cumulative voting is not permitted. All questions shall be decided by a vote of a majority of the Class A members voting thereon in person except as otherwise provided by law, the Articles of Incorporation or these By-Laws. Multiple choice issues or determinations shall be decided by a plurality vote. In the election of Directors, a voice vote may be permitted, if there is no competition for the seat or seats to be filled.

Section 3.7 Order of Business

The order of business at the annual meeting of the members and, as far as possible at all other meetings of the members, shall be conducted under policies established by the Board and under an agenda essentially as follows, except as otherwise determined by the members at such meeting:

- (1) Report on the number of members present in person in order to determine the existence of a quorum.
- (2) Reading of the Notice of the Meeting and proof of the timely publication or mailing thereof, or the waiver or waivers of Notice of Meeting, as the case may be.
- (3) Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon unless minutes presented for approval shall have been furnished by a timely mailing or have been distributed at the meeting to all active members present. In such case, the President may entertain a motion from the floor to dispense with the reading of such minutes.
- (4) Audit report of outside auditors, or, a summary thereof.
- (5) Presentation and consideration of reports of officers, directors and committees.
- (6) Election of Board members.

(7) Unfinished business.

(8) New business.

(9) Adjournment.

Notwithstanding the foregoing, the Board or the members themselves may, from time to time, establish a different order of business for the purpose of assuring the earlier consideration of an action upon any item of business, the transaction of which is necessary or desirable in advance of any other item of business; provided that no business other than adjournment of the meeting to another time and place may be transacted until and unless the existence of a quorum is first established.

Section 3.8 Postponement of a Meeting of the Members

In the event of inclement weather or the occurrence of a catastrophic event, the meeting of the members may be postponed by the President, Vice President or the Board. Notice of the adjourned meeting shall be given by the President in any media of general circulation or broadcast serving the area.

Section 3.9 Voting by mail

Members may vote by mail on any motion to be presented to a meeting of members and for election or removal of directors, as authorized by Section 185.12, Wis. Stats. Ballots for the vote on any motion and for voting on the election or removal of directors shall be mailed with the notice of the meeting. A member absent from the meeting may vote by submitting a signed ballot.

The Board of Directors is hereby authorized to prescribe the procedure for the use of signed ballots for the election or removal of Directors.

Section 3.10 Electronic Ballots

Members may vote by electronic means on any motion to be presented to the meeting of members and for the election or removal of Directors. Voting by electronic means shall be conducted in such a manner so that the Cooperative is able to authenticate that it is a Member who is casting a vote. Any vote cast by electronic means shall be given the same effect as a vote cast by signed ballot, or by a Member being present at a meeting. Further, any ballot submitted by electronic means, pertaining to a motion in which the Member was absent from the meeting at which said vote was taken, shall have the same effect as provided in Section 185.12(5)(a)(1) or (2), whichever is applicable.

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ARTICLE IV
BOARD MEMBERS
—

Section 4.1 General Powers

The business and affairs of the Cooperative shall be managed by a Board of seven (7) Directors, which shall exercise all the powers of the Cooperative except such as by law, the Articles of Incorporation, or by these By-Laws conferred or reserved to the members.

Section 4.2 Election Process and Tenure of Office

Directors shall be elected by a secret ballot at each annual meeting when there is competition for Board seat(s) to be filled. They shall be elected by and from the members to serve a three (3) year term, or, until their successors shall have been elected and shall have qualified. The terms of Directors shall be staggered to insure continuity. If an election of directors shall not be held on the day designated herein for the annual meeting or at any adjournment thereof, a special meeting of the members shall be held for the purpose of electing directors at a reasonable time thereafter. Directors shall be nominated and elected as provided hereinafter.

Section 4.3 Board Election Districts

The geographic area within which the Cooperative provides service shall be divided into one or more director districts as determined by written policies adopted by the Board of Directors. The Board of Directors shall, from time to time, determine the number of directors to be elected from each district.

Section 4.4 Nominations and Elections

- (1) Any ten (10) or more members of the election district acting together may make nominations by petition not less than thirty (30) days prior to said annual meeting of the members and the secretary or person at his/her discretion shall post such nominations at the principal or home office of the Cooperative at least twenty (20) days before the date of the annual meeting of the Members.
- (2) A list of all nominations made by petition shall be mailed along with the notice of annual meeting to all Members of the election district.
- (3) The secretary, or person at his/her discretion, shall also mail with the notice of annual meeting, a ballot, if a contested election, and a statement of the number of Directors to be elected, and the election district from which they are to be chosen. Such statement by the secretary shall also inform the Members of the manner in which they may vote by mail for Directors, or by electronic means, as provided in these Bylaws.

- (4) All members of the Cooperative from the election district entitled to elect a Director at the annual meeting shall elect the Director to represent each such district from the nominations made by petition as herein provided. The candidate receiving a plurality of votes cast for that office at such meeting shall be declared elected as a Director. In the event of a tie vote, a coin toss shall determine who will be elected as a Director.

Section 4.5 Qualifications To Be Nominated, To Become, Or To Remain A Director

- (1) No person shall be eligible to be nominated, elected, and remain a Director of the Cooperative who:
 - (a) Is not a member of the Cooperative, residing in the geographic area from which he or she is elected for more than two hundred and forty (240) days during the last twelve (12) month period.
 - (b) Is an employee or a former employee of the Cooperative or is in any manner employed by or in any material way financially interested in a competing enterprise or a business engaged in selling communication products or services. The Board may, by general rule or in particular circumstances, determine which interests in a competing enterprise are material.
 - (c) Is closely related to an incumbent Director or an employee of the Cooperative. As used here, "closely related" means a person who is related to the principal person by consanguinity or affinity, to the second degree or less – that is, a person who is either a spouse, child, grandparent, parent, brother, sister, aunt, uncle, nephew, or niece, by blood or in law, of the principal. However, no incumbent Director shall lose eligibility to remain a Director or to be reelected as a Director if he or she becomes a close relative of another incumbent Director or of a Cooperative employee because of a marriage to which he or she was not a party; neither shall an employee lose eligibility to continue in the employment of the Cooperative if he or she becomes a close relative of a Director because of a marriage to which he or she was not a party.
 - (d) Is or becomes the full-time employee, or agent of, or who is or becomes the full-time employer or principal of, another Director or any entity controlled by another Director.
 - (e) Is absent without being excused by the Board from three (3) or more regular meetings of the Board of Directors during any twelve (12) month period.
 - (f) Notwithstanding the foregoing, the Cooperative shall adopt a written policy which will govern the application in practice of this By-Law section to assure no employee will suffer unjust or unreasonable discrimination because of marital status.

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

Section 4.6 Removal of Board Member by Members and Resignations

- (1) Any member may bring charges against a Board member which shall specify malfeasance or nonfeasance of the duties and responsibilities of his/her position. Such charges shall be in writing and filed with the secretary together with a petition signed by at least ten (10) percent of the members, or two hundred (200) members, whichever is lesser, and may request the removal of such Board member by reason thereof.
- (2) Such Board member 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 to present evidence in respect to the charges; and the person or persons bringing the charges against him shall have the same opportunity. The question of the removal of such Board member shall be considered and voted upon at the meeting of the members. No Director shall be removed from office unless by a vote of a majority of all members.
- (3) Any vacancy created by such removal may be filled by vote of the members at such meeting without compliance with provisions of Section 4.4 with respect to nominations.
- (4) A Director may resign at any time by written notice delivered to the Board of Directors, the resident or Secretary of the Cooperative. A resignation is effective when the notice is delivered unless the notice specifies a future date. The pending vacancy may be filled before the effective date but the successor shall not take office until the effective date.

Section 4.7 Vacancies

Subject to the provisions of the By-Laws with respect to the filling of vacancies caused by the removal of Directors by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining Directors for the unexpired portion of the term, provided, however, that in the event the vacancy is not filled by the Board within sixty (60) days after the vacancy occurs, the members shall have the right to fill such vacancy at a meeting of the members without compliance with the foregoing provision in respect to nominations.

However, any successor, whether chosen by the Board or the members must reside within the same district as the vacant Directorship and have the same qualifications for office as set forth in Section 4.5.

Section 4.8 Compensation

- (1) Board members shall, as determined by resolution of the Board, receive a fixed sum for each day or portion thereof spent on Cooperative business, such as attendance at meetings, conferences, and training programs, or performing committee assignments when authorized by the Board. If authorized by the Board, Board members may also be reimbursed for expenses actually and necessarily incurred in carrying out such Cooperative business and, or be granted a reasonable per diem allowance by the Board in lieu of detailed accounting for some of these expenses. Board members may also receive communication services provided by the Cooperative on the same basis as provided to Cooperative em-

ployees.

- (2) Board members who elect to participate may be extended various forms of liability and accident insurance as well as participation in benefits provided to employees, except for benefits based on salary. Any such participation shall be at the sole expense of the Board member, except for accident and liability insurance, which shall be paid for by the Cooperative.
- (3) No Board member shall receive compensation for service to the Cooperative in any other capacity, nor shall any close relative of a Board member receive compensation for service to the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the Board member or his close relative shall have been certified by the Board as an emergency measure. For purpose of this section, "close relative" includes grandparent, parent, husband, wife, child, grandchild, brother, sister, aunt, uncle, nephew and niece, by blood, by marriage or by adoption, and spouse of any of the foregoing.

Section 4.9 Rules, Regulations, Rate Schedules, and Contracts

The Board of Directors shall have power to make, adopt, amend, abolish and promulgate such rules, regulations, rate classifications, rate schedules, contracts, security deposits and any other type of deposits, payments or charges, including contributions in aid of construction, not inconsistent with the law or the Articles of Incorporation or By-Laws, as it may deem advisable for the management, administration and regulation of the business and affairs of the Cooperative, or cause such to be submitted for any appropriate governmental regulatory approval. Further, the Board of Directors may constitute itself into committees for the purpose of studying and making recommendations to the full Board in the course of its decisional process.

Section 4.10 Accounting Systems and Reports

The Board of Directors shall cause to be established and maintain a complete accounting system of the Cooperative's financial operations and conditions, and shall after the close of each fiscal year, which is December 31st, cause to be made a full, complete, and independent audit of the Cooperative's accounts, books and records reflecting financial operations during, and financial condition as of the end of, such year. A full and accurate summary of such audit reports shall be submitted to the members at or prior to the succeeding annual meeting of the members. The Board may authorize special audits, complete or partial, at any time and for any specified period of time.

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ARTICLE V
MEETINGS OF THE BOARD
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Section 5.1 Regular Meetings

A regular meeting of the Board shall be held without notice, immediately after, and at the same place as, the annual meeting of the members. Regular meetings of the Board shall be held at such times, places, and frequency as designated by the Board. Such regular meetings may be held without notice other than resolution fixing the time and place thereof. Unless specifically prohibited by law, meetings, regular or special, may be conducted through the use of conference telephone or other communications equipment by means of which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence at the meeting of the persons so participating.

Section 5.2 Special Meetings

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

Section 5.3 Notice of Board Meetings

Written notice of the time, place (or telecommunications conference event) and purpose of any special meeting of the Board shall be delivered to each Board member either personally, by mail or by electronic means, by the Secretary, or the Secretary's designee, or upon a default in duty by the Secretary, by the President or one of the Board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the Board member at his/her address as it appears on the records of the Cooperative, with first class postage thereon prepaid, at least five (5) days before the date set for the meeting. If notice is provided personally or by electronic means, notice shall be provided at least forty-eight (48) hours prior to the special meeting.

Section 5.4 Quorum

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

Section 5.5 Unanimous Consent in Writing

Unless otherwise prohibited by law, Board actions may be taken without a meeting and without a vote if unanimous consent of the Board is obtained in writing, setting forth the action taken in detail and the document is signed, either by DocuSign or other similar authenticating method, by the Board members entitled to vote.

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ARTICLE VI
OFFICERS
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Section 6.1 Number and Titles

The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer and such other officers as may be determined by the Board from time to time. The offices of the Secretary and of the Treasurer may be held by the same person and when so combined shall be termed the office of the Secretary-Treasurer.

Section 6.2 Election and Term of Office

- (1) The officers shall be elected by ballot, if there is a contest, and if not, by voice vote or any other method designated by the person presiding. They shall be elected annually by and from the Board, at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible.
- (2) Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members, or until a successor shall have been elected and shall have qualified. Except as otherwise provided in these By-Laws, a vacancy in any office shall be filled by the Board for the unexpired portion of the term.

Section 6.3 Removal of Officers and Agents by the Board

Any officer or agent elected or appointed by the Board may be removed by the Board for a cause related to a position whenever in its judgment the best interests of the Cooperative will be served thereby. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the Board meeting at which the charges are to be considered and shall have an opportunity at the meeting to be heard in person or by counsel and to present evidence in respect of the charges; and the person or persons bringing the charges against him shall have the same opportunity.

Section 6.4 President

The President shall:

- (1) 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;
- (2) Sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board 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
- (3) 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 6.5 Vice-President

In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall also perform such other duties as from time to time may be assigned to him by the Board.

Section 6.6 Secretary

The Secretary shall have the responsibility to:

- (1) Keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose;
- (2) See that all notices are duly given in accordance with these By-Laws or as required by law;
- (3) The safekeeping of the corporate books and records and the seal of the Cooperative and affixing the seal of the Cooperative to all documents prior to the issuance thereof and to all documents, the execution of which on behalf of the Cooperative under its seal is duly authorized by the Board or the members;
- (4) Keep a register of the names and post office addresses of all members;
- (5) 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 Co-op, forward a copy of the By-Laws and of all amendments thereto to each member.
- (6) And, in general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him/her by the Board. Upon the request of the Secretary, the Board of Directors shall authorize the Secretary to delegate any or all of the duties to responsible employees of the Cooperative.

Section 6.7 Treasurer

The Treasurer shall be responsible for:

- (1) Custody of all funds and securities of the Cooperative;
- (2) The receipt of and the issuance of receipts for all monies due and payable to the Cooperative and for the deposit of all such monies in the name of the Cooperative in such bank or banks as shall be selected in accordance with the provisions of these By-Laws; provided, however, that the Treasurer shall have authority, with the approval of the Board, to delegate to the General Manager the authority to appoint employees of the Cooperative to actually carry out the responsibilities set forth in this section; and
- (3) The general performance of all duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him by the Board; provided, however, with respect to the duties and responsibilities of the Treasurer, the Cooperative shall indemnify and hold the Treasurer harmless against any and all losses, claims and/or damages which may be asserted against the Treasurer, in his official capacity, unless such claim is a result of an act personally committed or omitted by the Treasurer resulting in loss to the Cooperative.

Section 6.8 General Manager

The Board shall appoint a General Manager who may be, but who shall not be required to be, a member of the Cooperative. The General Manager shall perform such duties and shall exercise such authority as the Board may from time to time vest in him/her.

Section 6.9 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 shall give bond in such sum and with such surety as the Board shall determine. The Board in its discretion may also require any other officer, agent or employee of the Cooperative to give bond in such amount and with such surety as it shall determine. The costs of all such bonds shall be born by the Cooperative.

Section 6.10 Compensation

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

Section 6.11 Reports

The officers of the Cooperative shall submit at each annual meeting of the member's 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.

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ARTICLE VII
INDEMNIFICATION OF OFFICERS,
BOARD MEMBERS, EMPLOYEES AND AGENTS
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Section 7.1 Scope and Indemnification

The Cooperative shall indemnify any person who was, or is, a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by, or in the right of the Cooperative) by reason of the fact that such person is or was a Board member, officer, employee or agent of the Cooperative or who is, or was, serving at the request of the Cooperative as a Board member, officer, employee or agent of another cooperative, association, corporations, partnership, joint venture, trust or other enterprise against expenses (including attorney's fees), adjustments, fines and amounts paid in settlement actually and reasonable incurred by such person in connection with such action, suit or proceeding; provided such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any action, or upon pleas of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

Section 7.2 Indemnification for Good Faith Action

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

Section 7.3 Costs of Defense Indemnified

To the extent that a Board member, officer, employee or agent of the Cooperative has been

successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 7.1 and 7.2 in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by such person in connection therewith.

Section 7.4 Amount of Indemnification

Any indemnification under Sections 7.1, 7.2 or 7.3 (unless ordered by a Court) shall be made by the Cooperative only as authorized in the specific case, upon a determination that indemnification of the Board member, officer, employee, or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 7.1, 7.2 or 7.3 and has not otherwise been compensated by insurance. Such determination shall be made:

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

Section 7.5 Expenses Advanced

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

Section 7.6 Rights of Persons Indemnified

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

Section 7.7 Insurance Coverage

The Cooperative may purchase and maintain insurance on behalf of any person who is, or was, a Board member, officer, employee or agent of the Cooperative, or who is, or was, serving at the request of the Cooperative as a Board member, officer, employee, or agent of another cooperative, association, corporations, partnership, joint venture, and incurred by such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provision of this Article.

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VIII
NON-PROFIT OPERATION
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Section 8.1 Non-profit and Cooperative Basis

The Cooperative shall operate on a non-profit basis and a cooperative basis for the mutual benefit of all members.

Section 8.2 Allocating and Crediting Capital

- A. Patron.** A Patron is a member physically located within Chequamegon Communications Cooperative, Inc.'s ILEC who receives retail communications services ("Cooperative Service") and is entitled to an allocation of and credit to a capital credit account of Capital Credits related to the Cooperative Service.
- B. Capital Credits.** Patrons shall furnish and contribute to the Cooperative, and the Cooperative shall receive from Patrons, as capital ("Capital") the amount ("Operating Margins") by which the total proceeds received by the Cooperative from Patrons for providing a Cooperative Service ("Operating Income") exceed the Cooperative's costs and expenses of providing the Cooperative Service ("Operating Cost"). For each Cooperative Service, the Cooperative shall annually allocate to each Patron, and pay by credit to a Capital account for each Patron, Operating Margins from the Cooperative Service in proportion to the value or quantity of the Cooperative Service used by the Patron during the applicable fiscal year ("Capital Credits"). Capital Credits are treated as though the Cooperative paid the Capital Credits amounts to each Patron in cash pursuant to a preexisting legal obligation and each Patron furnished or contributed the Capital to the Cooperative in the corresponding Capital Credit amounts.
- C. Classes of Service.** The Board may authorize and make allocations of Capital Credits based on business done with particular departments, or in particular commodities, supplies or services, or upon business according to type or nature.
- D. Non-Operating Margins.** Other than Operating Margins, funds and amounts received by the Cooperative that exceed the Cooperative's costs and expenses ("Non-Operating Margins") may be, as determined by the Board:
1. Allocated as Capital Credits to Patrons in the same manner as the Cooperative allocates Operating Margins to Patrons;
 2. Retained or used by the Cooperative as permanent, non-allocated retained capital;
 3. Used to pay or offset any Cooperative cost, expense or loss; or
 4. Used in the Cooperative's business as otherwise determined or approved by the Board.

The Board may determine what funds and amounts received from non-Patrons constitute Non-Operating Margins. Other telecommunications carriers are neither members nor Patrons for purposes of allocating Capital Credits. Exchange and interexchange carriers which participate with the Cooperative in the provision of telecommunications services are neither members nor Patrons by virtue of division of revenue contracts.

- E. Notification.** The Cooperative shall annually notify each Patron of the amount of Capital Credits allocated or credited to the Patron.
- F. No Interest or Dividends.** No interest or dividends will be paid on any Capital furnished by Patrons.
- G. Assignment or Transfer.** Capital Credits may be assigned or transferred only by written assignment or transfer and only with approval of the Board.

Section 8.3 Retiring and Refunding Capital Credits

The Board, if it determines that the Cooperative's financial condition will not be adversely affected, may authorize the retiring and refunding of Capital Credits. The Board shall determine the amount, manner, method, and timing of retiring or refunding Capital Credits. Upon the death of any individual Patron (but not upon the cessation of existence of any business entity), the Board may authorize the retiring and refunding of the deceased Patron's Capital Credits under terms and conditions determined and approved by the Board.

Section 8.4 Reasonable Reserves

To meet the Cooperative's reasonable needs, the Cooperative may accumulate and retain amounts exceeding those needed to meet current costs and expenses ("Reasonable Reserves"). The amounts retained as Reasonable Reserves may be credited to allocated or unallocated surplus or reserves of the Cooperative. The Cooperative shall keep records necessary to determine each Patron's rights and interest in any Reasonable Reserves.

Section 8.5 Vesting; Set-Off

The right to retirement and refund of Capital Credits vests, accrues, and becomes payable only at the time the Cooperative retires and refunds the Capital Credits and not when the Cooperative allocates and credits the Capital Credits. Before retiring and refunding Capital Credits, the Cooperative may set off and deduct from a Patron's Capital Credits any amounts owed to the Cooperative by the Patron including any interest, collection expenses, and late payment fee determined by the Board.

Section 8.6 Forfeiture of Unclaimed Funds

The Cooperative may affect the forfeiture of unclaimed funds as authorized by the Wisconsin

Section 8.7 Interpretation and Administration

The provisions of this Article shall be interpreted and administered in compliance with federal tax law, the Wisconsin Cooperative Association Act (Chapter 185), and applicable federal and state laws (and regulations and rules adopted under those laws) regulating services provided by the Cooperative.

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ARTICLE IX
**DISPOSITION AND PLEDGING OF PROPERTY,
DISSOLUTION AND DISTRIBUTION OF
SURPLUS ASSETS UPON DISSOLUTION**
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The Cooperative may not sell, transfer, lease or otherwise dispose of all or any substantial portion of its property unless such sale, transfer, lease or other disposition is authorized by the affirmative vote of at least two-thirds (2/3) of those members entitled to vote thereon voting at the meeting, and unless the notice of such proposed sale, transfer, lease or other disposition shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of Directors, without authorization by its members, 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, or granting a security interest in, any or all of the property, assets, rights, privileges, licenses, franchises and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board of Directors shall determine, to secure any indebtedness of the Cooperative.

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ARTICLE X
SEAL
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The corporate seal of the Cooperative shall have inscribed thereon the name of the Cooperative and the words "Corporate Seal-State of Wisconsin."

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ARTICLE XI
FINANCIAL TRANSACTIONS
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Section 11.1 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 11.2 Checks, Drafts, etc

All checks, drafts, or other orders for the payment of money, and all notes, bonds, and or other evidences or 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 11.3 Deposits

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

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ARTICLE XII
MISCELLANEOUS
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Section 12.1 Membership in Other Organizations

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

Section 12.2 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 directors 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 purpose of objecting to the transaction of any business on the grounds that the meeting has not been lawfully called or convened.

Section 12.3 Rules and Regulations

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

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ARTICLE XIII
AMENDMENTS
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These By-Laws may be altered, amended or repealed by a majority of the member votes cast at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

By-Laws may also be amended or adopted by the Board of Directors. Any By-Law adopted or amended by the Board of Directors shall be reported at the next regular Members' meeting. Any such By-Law shall be at any time subject to amendment or repeal by the Members.