

**Nelson Communications  
Cooperative  
dba**



# **BYLAWS**

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It shall be the aim of the  
Nelson Communications Cooperative to  
provide dependable area-wide communication  
services on the cooperative plan and at the lowest  
cost consistent with sound economy  
and good management.

**INCORPORATED  
NOVEMBER 23, 1948**

**Nelson Communications  
Cooperative  
dba  
Ntec**

**Home Office  
DURAND, WISCONSIN 54736**

**Adopted at the Annual Meeting of Nelson  
Communications Cooperative on March 25, 2025,  
Durand, Wisconsin.**

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Amended effective as of March 25, 2025.

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**BYLAWS  
Of  
NELSON COMMUNICATIONS COOPERATIVE**

Amended effective as of March 25, 2025.

**ARTICLE I  
MEMBERSHIP**

**Section 1.1 Membership.**

Any person, firm, association, corporation or body politic or subdivision thereof will become a member of Nelson Communications Cooperative (hereinafter called the "Cooperative") upon receipt of telecommunications and information services (hereinafter referred to simply as "services") from the Cooperative. Membership is automatic and instantaneous upon receipt of service; however, each member shall:

- (1) Make a written application for membership for the Cooperative's records;
- (2) Agree to purchase services from the Cooperative in accordance with the rates, terms and conditions specified by the Cooperative;
- (3) Agree to comply with, and be bound by, the Articles of incorporation and Bylaws of the Cooperative and rules and regulations adopted by the Board.

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) Membership in the Cooperative is affected by:
  - (a) Procuring retail telecommunications services from the Cooperative, or
  - (b) Providing a continuing periodic telecommunications revenue stream for the Cooperative.

The Board will determine under rules of general application the types and amounts of revenue stream or the types and amounts of patronage that give rise to the privileges and obligations of membership.

- (2) Exchange and interexchange carriers who participate with the Cooperative in the provision of telecommunications services to members are neither members nor patrons by virtue of division of revenue contracts.
- (3) Each time sharing or interval ownership premise is considered as a single corporate 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 for in these Bylaws.

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 Bylaws, 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 Bylaws 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 a joint waiver;

- (4) Notice to either shall constitute notice to both;
- (5) Expulsion of either shall terminate the joint membership;
- (6) Withdrawal of either shall terminate the joint membership;
- (7) Either, but not both, may be elected or appointed as an officer or board member if individually qualified;
- (8) Upon the death of either spouse who is a party to the joint membership, such membership shall be converted to an individual membership. However, the estate of the deceased shall not be released from any debts due the Cooperative.

### **Section 1.3 Purchase of Services.**

Each person who applied for service shall, as soon as service is available, purchase service or products from the Cooperative in accordance with the rates, terms and conditions specified by the Cooperative from time to time. It is expressly understood that amounts received by the Cooperative for all services in excess of cost 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 Bylaws. 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 the member to the Cooperative as and when the same shall become due and payable.

### **Section 1.4 Termination of Membership.**

- (1) Any member may withdraw from membership upon compliance with such uniform terms and conditions as the Board may prescribe. The Board may, by the affirmative vote of not less than two-thirds of all the members of the Board, expel any member who fails to comply with any of the provisions of the Articles of Incorporation, Bylaws, 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 the member 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 a member, the membership of such member shall thereupon terminate and will be so recorded on the books of the Cooperative. Termination of membership in any manner shall not release a member or the member's estate from any debts due the Cooperative nor do unpaid bills release a member from the member's obligations under these Bylaws or rules and regulations approved by the Board.

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

### **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 service to said member, or any other member, at no cost to the Cooperative. When requested by the Cooperative, the member does agree to execute any easement or right-of-way contract on a form to be furnished by the Cooperative.

### **Section 2.3 Nonliability 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 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; and
- (3) The remaining property and assets of the Cooperative shall be distributed among the members and former members in the proportion which the aggregate patronage of each member and former member bears to the total patronage of all such members and such former members on the date of dissolution unless otherwise provided by law.

## **ARTICLE III MEETINGS OF MEMBERS**

### **Section 3.1 Annual Meeting.**

- (1) The annual meeting of the members shall be held at a date and place within the Cooperative service area, as selected by the Board and which shall be designated in the notice of the meeting, for the purpose of electing board members, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. It shall be the responsibility of the Board to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Cooperative.
- (2) To the extent authorized by the Board and permitted by law, however, 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 the internet or other remote communications technology so long as all of the following apply: (a) the Cooperative implements reasonable measures to verify that each person participating in the meeting is a member; and (b) the Cooperative implements reasonable measures to provide members a reasonable opportunity to participate in the meeting, read or hear the proceedings substantially current with their occurrence, and vote on matters submitted to the members.

### **Section 3.2 Special Meeting.**

Special meetings of the members may be called by resolution of the Board, or upon a written request signed by any three (3) Board members, by the President, or by not less than two hundred (200) members or by ten percent (10%) of all the members, whichever shall be the lesser, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within one of the counties served by the Cooperative as designated by the Board, or held by means of remote participation as provided in Section 3.1 (2) above, and shall be specified in the notice of the special meeting.

### **Section 3.3 Notice of Members' Meeting.**

- (1) Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than seven (7) days nor more than thirty (30) days before the date of the meeting, 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 persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the member's address as it appears on the records of the Cooperative, with postage thereon prepaid. An electronically transmitted notice of a member meeting is deemed delivered when electronically sent to a member at the member's electronic mail address shown in the Cooperative records. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at any such meeting. Action without a meeting may be taken pursuant to section 185.34 of the Wisconsin Statutes.
- (2) If the Board authorizes remote or electronic meeting attendance, then the notice of such member's meeting must include a description of the means of remote or electronic communication to be used.

### **Section 3.4 Quorum.**

Business may not be transacted at any meeting of the members unless there are present in person, including via remote or electronic means as permitted by the Cooperative, at least five percent (5%) of the members, plus five (5) members, EXCEPT that in no case shall more than fifty (50) members be required for a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice.

### **Section 3.5 Voting.**

Each member shall be entitled to only one vote upon each matter submitted to 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 Article of Incorporation or these Bylaws.

### **Section 3.6 Mail Ballots; Electronic Voting**

Each member authorized to vote as provided in these Bylaws may also vote by mail ballot or electronic means, including, but not limited to, voting on the election or removal of Board members, subject to applicable law, these Bylaws and any procedures adopted by the Board. To the extent mail ballots or electronic voting methods are authorized by the Board, a vote cast by mail ballot or electronic means shall have the same effect as a vote cast by a member present at a meeting and shall count toward the member quorum required to vote on the matter. A mail or electronic ballot must: (i) set forth and describe a proposed action, identify a candidate, and/or include the language of a motion, resolution, bylaw amendment, or other written statement, upon which a member is asked to vote or act; (ii) state the date of a member meeting at which members are scheduled to vote or act on the matter; (iii) provide an opportunity to vote for or against or to abstain from voting on the matter; (iv) instruct the member how to complete, return or cast a mail or electronic ballot; and (v) state the time and date by which the Cooperative must receive the completed mail or electronic ballot. A mail or electronic ballot may not be procured or cast through fraud or other improper means. As determined by the Cooperative, a mail or electronic ballot procured or cast through fraud or other improper means is invalid.



### **Section 3.7 Order of Business.**

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

- a. Report on 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.
- c. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- d. Presentation and consideration of reports of officers, trustees, and committees.
- e. Election of board members.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

## **ARTICLE IV BOARD MEMBERS**

### **Section 4.1 General Powers.**

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

### **Section 4.2 Election and Tenure of Office.**

The Directors of the Cooperative shall be elected by the members, in the manner hereinafter described in Section 3 of this article; except that any vacancy in the Board of Directors happening after any regular annual meeting and not filled by the members pursuant to Article IV Section 6 hereof, may be filled by the Board of Directors, such person so elected to hold office for the unexpired portion of the term.

### **Section 4.3 Director Nominations; Mail Ballots**

- (a) All Board members shall be at large, but nominations for Board members shall reflect equitable representation for the service areas and geographical territory of the cooperative.
- (b) At each annual meeting, a number of directors equal to the number of directors whose terms expire at the time of such meeting shall be elected and shall hold office for a term of five (5) years or until their respective successors have been elected and qualified.
- (c) The Board shall appoint, not less than forty (40) days nor more than sixty (60) days before the date of the annual meeting of the members at which Board members are to be elected, a committee on nominations consisting at least five (5) members who shall be selected from different geographic areas so as to ensure equitable representation for the service areas and geographical territory of the Cooperative. No member of the Board, close relative (as defined by Section 4.7) of a Board member or employee may serve on such committee. Prior to the first meeting of the nominating committee, notice shall be given to members that the nominating committee has been selected and such notice shall describe the nominating process. The committee, keeping in mind the principle of equitable representation, shall prepare and post at the principal office of the Cooperative at least thirty (30) days before the annual meeting, a list of nominations for Board members. The secretary shall be responsible for mailing, at least seven (7) days before the date of the annual meeting, a statement of the number of Board members to be elected and the names and addresses of the candidates nominated by the committee on nominations. Any twenty-five (25) or more

members acting together may make other nominations by petition and the secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. Nominations made by petition, if any, received at least twenty-five (25) days before the annual meeting shall be included on the official ballot.

- (d) Directors shall be elected by secret ballot, including mail or electronic ballots, subject to applicable law, these Bylaws and any procedures adopted by the Board, by a plurality of those members voting, when there is competition for the Board seat(s) to be filled.
- (e) Notwithstanding the foregoing, in the event of an uncontested director election, the Board, in its reasonable discretion, may opt to not distribute ballots for such election, in which event the uncontested candidate shall be declared elected upon approval thereof by the members present at the annual meeting.

#### **Section 4.4 Qualifications.**

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

- (a) Is not a member of the Cooperative.
- (b) Is in any way employed by or financially interested in a competing enterprise or a business engaged in selling telecommunication service or supplies, or constructing or maintaining telecommunication facilities, other than a business operating on a cooperative nonprofit basis for the purpose of furthering rural telecommunications.
- (c) Is an employee or former employee of the Cooperative (as it relates to former employees, this provision shall only be applicable for a period of 5-years following termination of employment with the Cooperative).
- (d) Is closely related to an incumbent director or an employee or former employee of the Cooperative (as it relates to persons closely related to a former employee, this provision shall only be applicable for a period of 5-years following termination of the former employee's employment with 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 they become a close relative of another incumbent director or of a Cooperative employee because of a marriage to which they were not a party; neither shall an employee lose eligibility to continue in the employment of the Cooperative if they become a close relative of a director because of a marriage to which the employee was not a party.

Upon establishment of the fact that a board member is holding the office in violation of any of the foregoing provisions, the Board shall remove such board member from the office.

Nothing contained in this section shall affect in any manner whatsoever the validity of any action taken at any meeting of the Board.

#### **Section 4.5 Removal of Board Member by Members.**

Any member may bring charges against a board member and, by filing with the Secretary such charges in writing together with a petition signed by at least ten percent (10%) of the members or two hundred (200), whichever is the lesser, may request the removal of such board member by reason thereof. 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 and to present evidence in respect to the charges; and the person or persons bringing the charges against them 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 two-thirds of the members present. Any vacancy created by such removal may be filled by vote of the

members at such meeting without compliance with the foregoing provisions with respect to nominations.

#### **Section 4.6 Vacancies.**

Subject to the provisions of these Bylaws with respect to the filling of vacancies caused by the removal of the board members by the members, a vacancy occurring in the Board shall be filled by the affirmative vote of a majority of the remaining board members for the unexpired portion of the term, provided, however, that in the event the vacancy occurs the members shall have the right to fill such vacancy at a meeting of the members without compliance with the foregoing provisions in respect to nominations.

#### **Section 4.7 Compensation.**

Board members shall not receive any salary for their services as such, except that members of the Board 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 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 detailed accounting for some of these expenses. No board member shall receive compensation for serving the Cooperative in any other capacity, nor shall any close relative of a board member receive compensation for serving the Cooperative, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service by the board member or their close relative shall have been certified by the Board as an emergency measure. For the purpose of this section, close relative includes grandparents, parents, husband, wife, children, grandchildren, brothers, sisters, uncles, aunts, nephews, and nieces, by blood, by marriage or by adoption, and spouses of any of the foregoing.

The Directors, officers and employees of the Cooperative may participate in any of the insurance programs offered by the Cooperative including but not limited to liability, health, hospital, medical and accident coverage as may be approved by the Board of Directors.

### **ARTICLE V MEETINGS OF THE BOARD**

#### **Section 5.1 Regular Meetings.**

The Board shall regularly meet at such time and place as designated by the Board. Such regular meetings may be held without notice other than such resolution fixing the time and place thereof. A minimum of at least ten (10) regular meetings shall be held each year. Unless specifically prohibited by law, regular and special meetings may be conducted through the use of conference telephone or other communications equipment by means of which all persons participating in the meetings can communicate with each other. Such participation will constitute attendance and presence in person at the meeting of the persons so participating.

#### **Section 5.2 Special Meetings.**

Special meetings of the Board may be called by the President or by any three 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 transmission, or at the direction of the Secretary, or upon default in duty by the Secretary, by the President or one of the board members calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail, addressed to the board member at their 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 sent by electronic transmission, such notice shall be deemed delivered when electronically sent to the Board member at the Board member's electronic mail address as it appears on the records of the Cooperative.

### **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 Bylaws 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 by all board members entitled to vote.

## **ARTICLE VI OFFICERS**

### **Section 6.1 Number.**

The officers of the Cooperative shall be a President, Vice-President, Secretary, Treasurer and such other officers as may be determined by the Board from time to time. The offices of Secretary and of 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.**

The officers shall be elected by ballot, if there is a contest, and if not, by voice vote or any other method designated by the person presiding. They shall be elected annually by and from the Board, at the meeting of the Board held immediately after the annual meeting of the members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until the first meeting of the Board following the next succeeding annual meeting of the members, or until a successor shall have been elected and shall have qualified. Except as otherwise provided in these Bylaws, 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 officers or agent elected or appointed by the Board may be removed by the Board for cause related to 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 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 them 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 Bylaws 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, her, or their inability or refusal to act, the Vice-President shall perform the duties of the President, and when as 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, or them by the Board.

### **Section 6.6 Secretary.**

The Secretary shall have the responsibility to:

- (1) Keep the minutes of the meeting 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 Bylaws or as required by law;
- (3) Be custodian of the corporate records and of the seal of the Cooperative and affix the seal of the Cooperative to all documents prior to the issue thereof and to all documents, the execution of which on behalf of the cooperative under its seal is duly authorized in accordance with the provisions of these Bylaws;
- (4) Keep a register of the names and post office addresses of all members;
- (5) Sign, with the President, all documents, the issue of which shall have been authorized by the Board or the members;
- (6) Have general charge of the books of the Cooperative;
- (7) Keep on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Cooperative containing all amendments thereto (which copy shall always be open to the inspection of any member) and at the expense of the Cooperative, forward a copy of the Bylaws and of all amendments thereto to each member;
- (8) And, in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him, her, or them by the Board.

### **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 Bylaws; provided, however, that the Treasurer shall have authority, with the approval of the Board, to delegate to the General Manager/CEO 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 the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned to him, her, or them 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, her, or their 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/Chief Executive Officer.**

The Board shall appoint a General Manager, who may also be designated as a Chief Executive Officer ("CEO"), who may be, but who shall not be required to be, a member of the Cooperative. The General Manager/CEO shall perform such duties and shall exercise such authority as the Board may from time to time vest in him, her, or them.

### **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 borne 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 Bylaws, with respect to compensation for directors and close relatives of directors.

### **Section 6.11 Reports.**

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

## **ARTICLE VII**

### **INDEMNIFICATION OF OFFICERS, BOARD MEMBERS, EMPLOYEES AND AGENTS**

#### **Section 7.1 Scope of indemnification.**

The Cooperative shall indemnify any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by, or in the right of the Cooperative) by reason of the fact that such person is or was a Board member, officer, employee, or agent of the

Cooperative or who is or was serving at the request of the Cooperative as a Board member, officer, employee or agent of another cooperative, association, corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) adjustments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided such person acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the best 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, suit, or proceeding by judgment, order, settlement, conviction, or upon pleas of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interests of the Cooperative, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct of such person was unlawful.

### **Section 7.2 Indemnification for Good Faith Action.**

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

To the extent that a board member, officer, employee or agent of the Cooperative has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Sections 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 and 7.2 (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 and 7.2.

Such determination shall be made:

- (1) By the Board by a majority vote of a quorum consisting of board members who were not parties to such action, suit or proceedings; or
- (2) If such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested board members so directs, by independent legal counsel in a written opinion; or
- (3) 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 the 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, she, or they is entitled to be indemnified by the Cooperative as authorized in this Article.

### **Section 7.6 Rights of Person 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, or their official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a board member, officer, employee or agent, and shall insure 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, corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of the status of such person as such, whether or not the Cooperative would have the power to indemnify such person against such liability under the provisions of this Article.

## **ARTICLE VIII NON-PROFIT ORGANIZATION**

### **Section 8.1 Interest or Dividends on Capital Prohibited.**

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

### **Section 8.2 Patronage Capital in Connection with Furnishing Telecommunications and Other Services.**

In the furnishing of regulated telecommunication services the Cooperative's operation shall be so conducted that all patrons will, through their patronage, furnish capital for the Cooperative. In order to induce patronage and to insure that the Cooperative will be operated on a non-profit basis, the Cooperative is obligated to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of such services in excess of operating costs and expense properly chargeable against the furnishing of such services, including interest expense incurred on debt in support of the regulated telecommunications services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital amount of each patron, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to the patron's account. All such amounts credited to the capital amount of any patron



shall have the same status as though paid to the patron in cash in pursuance of a legal obligation to do so and the patron has then furnished the Cooperative corresponding amounts for capital.

All other amounts received by the Cooperative from non-regulated or non-operating income, which shall include but not be limited to, interest income, dividends, capital gains and other miscellaneous income, in excess of operating costs and expenses properly chargeable against the furnishing of such services, including interest expense incurred on debt in support of the nonregulated operations or other non-operating income, shall, insofar as permitted by law, be used to offset any losses during the current or any prior fiscal year and, to the extent not needed for that purpose, at the discretion of the Board, either:

- (1) Be allocated to the Cooperative's patrons on a patronage basis as a part of the capital credited to the accounts of patrons, as herein provided, or
- (2) Be credited to unallocated surplus or reserves of the Cooperative.

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

Capital credited to the account of each patron shall be assigned only on the books of the Cooperative, pursuant to written instruction from the assignor and only to successors in interest or successors in occupancy in all or in part of such patrons' premises served by the Cooperative unless the Board, acting under policies of general application, shall authorize other types of assignments. Patrons at any time may assign their capital credits back to the Cooperative and the Cooperative is authorized to negotiate capital settlement arrangements with bankrupt patrons.

Notwithstanding any other provision of the Bylaws, the Board at its discretion shall have the power at any time (i) to retire capital credits to any natural patron of the age of seventy-five (75) years or more, upon their request, or (ii) upon the death of any natural patron, if the patron or the legal representative of his, her, or their estate, as the case may be, shall request in writing that the capital credits to any such patron be retired prior to the time such capital would be retired in a general retirement under provisions of these Bylaws, to retire capital credits to any such patron immediately upon such terms and conditions as the Board, acting under policies of general application, and the patron or the legal representative of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

When the capital credits of any patron no longer receiving service from the Cooperative comes to a total amount of less than a fixed sum determined by the Board of Directors, the same shall be retired in full with such retirement made only when and at the same time that a general retirement to other patrons is made. During a general capital credit retirement, no checks shall be issued for less than a fixed amount determined by the Board, and the amount of such unretired capital credits will be retired in the first following year when the total amount of capital credits qualifying for retirement exceeds that amount set by the Board, including the amount carried over. All tax refunds made by the United States Government or any of the states in connection with the final or true cost of service as determined by the capital credits allocation process may be held and used by the Cooperative as furnished patronage capital and shall be treated in the same manner as furnished capital set out in this Section of these Bylaws.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract both between the Cooperative and each patron, and further, between all the patrons themselves

individually. Both the Cooperative and the patrons are bound by such contract, as fully as though each patron and individually signed a separate instrument containing such terms and provisions with the Cooperative and each of its patrons. The provisions of this Article of the Bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office or by publication distributed by the Cooperative to its patrons.

### **Section 8.3 Lien and Set-Off.**

The Cooperative shall have a continuing lien against the patronage capital allocated and credited to any patron for any indebtedness due and owing from such patron to the Cooperative and such indebtedness to the extent of such capital so allocated and credited upon which the Cooperative has a lien shall not be extinguished by the bankruptcy of said patron or lapse of time, but shall be set off against any capital allocated and credits to said patron in any retirement thereof made hereunder to said patron or to the patron's estate or heirs or surviving joint member.

### **Section 8.4 Forfeiture of Unclaimed Funds.**

- (1) The Cooperative shall affect the forfeiture of all unclaimed funds, including all forms of distributions or capital credits, deposits, and dividends, and shall do the following in connection herewith:
  - a. No earlier than three (3) years and no later than five (5) years after the funds are first made available to the owners, the Board of Directors shall declare the funds forfeited to the Cooperative unless claimed by a specified date.
  - b. After the declaration of forfeiture, the Cooperative shall give notice that states that the funds shall be forfeited if not claimed by the specified date, which date shall be a business day at least sixty (60) days after the mailing of the notice.
  - c. The notice under paragraph (b) shall be mailed to the last known address of each owner, or published on an internet site address where this information is posted, together with a brief description of the reason for the notice, or shall be published on or before the date of mailing in a newspaper published in the municipality containing the service area of the Cooperative.
  - d. The Cooperative shall dedicate any funds remaining unclaimed after the date specified in paragraph (b) to educational purposes, limited to providing scholarships or loans to students, or to charitable purposes, as the Board of Directors determines, within one year after the date the funds are declared forfeited under paragraph (a). Educational purposes shall not include political purposes as defined in Section 11.01(16), Wisconsin Statutes.
- (2) At any time subsequent to a forfeiture under this Bylaw, the owner of forfeited funds may submit a claim to the Board of Directors and if the Board determines that the person owned the funds at the time of forfeiture, it shall refund the funds to the person.
- (3) The Board of Directors may establish a reasonable reserve for payment of claims.

## **ARTICLE IX DISPOSITION OF PROPERTY**

The Cooperative may not sell, mortgage, lease, or otherwise dispose of or encumber all or any substantial portion of its property unless such sale, mortgage, lease or other disposition or encumbrance is authorized at a meeting of the members thereof by the affirmative vote of not less than two-thirds of all of the members of the Cooperative, and unless the notice of such proposed sale, mortgage, lease, or other disposition or encumbrances shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the Board of the Cooperative, without authorization by the members thereof, shall have full power and authority to authorize the execution and delivery of a mortgage or mortgages or a deed or deeds of trust upon, or the pledging or encumbering of, any or all of the property, assets, rights, privileges, licenses,

franchises, and permits of the Cooperative, whether acquired or to be acquired, and wherever situated, as well as the revenues and income therefrom, all upon such terms and conditions as the Board shall determine, to secure any indebtedness of the Cooperative to the United States of America or any instrumentality or agency thereof; provided further that the Board may upon the authorization of a majority of those members of the Cooperative present at a meeting of the members thereof, sell, lease, or otherwise dispose of all or a substantial portion of its property to another cooperative or foreign corporation doing business in this State pursuant to the Act under which this Cooperative is incorporated.

## **ARTICLE X SEAL**

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

## **ARTICLE XI FINANCIAL TRANSACTIONS**

### **Section 11.1 Contracts.**

Except as otherwise provided in these Bylaws, 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 or other evidences of indebtedness issued in the name of the Cooperative shall be signed by such 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 bank or banks as the Board may select.

### **Section 11.4 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 types of deposits, payments or charges, including contributions in aid of construction, not inconsistent with law or the Certificate of incorporation or Bylaws, 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 processes.

### **Section 11.5 Accounting Systems and Reports.**

The Board of Directors shall cause to be established and maintained a complete accounting system of the Cooperative's financial operations and condition, and shall, after the close of each fiscal year, which is December 31, 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.

## **ARTICLE XII MISCELLANEOUS**

### **Section 12.1 Membership in other Organizations.**

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

### **Section 12.2 Waiver of Notice.**

Any member or Director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or Directors at any meeting shall constitute a waiver of notice of such meeting 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.

## **ARTICLE XIII AMENDMENTS**

These Bylaws may be altered, amended, or repealed by the members at any regular or special meeting, provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment, or repeal; provided, further, that Section 5 of Article III (relating to voting by members) (Article IX (relating to disposition of property), and Article XIII (relating to amendment of the Bylaws) may be altered, amended, or repealed only by the affirmative vote of not less than two-thirds of all of the members of the Cooperative.