



**BYLAWS OF
BEK COMMUNICATIONS COOPERATIVE**

BUSINESS OFFICE
STEELE, NORTH DAKOTA

AS AMENDED JUNE 9, 2016

ARTICLE I MEMBERSHIP

SECTION 1. REQUIREMENTS FOR MEMBERSHIP. Any person, firm, partnership, association, corporation or body politic or sub-division thereof who or which reside in the service area certified to BEK COMMUNICATIONS COOPERATIVE (hereinafter called the “Co-op”) by the North Dakota Public Service Commission shall automatically become a member of the Co-op by:

- a. Making either an oral or written application for communication service; (Communication Service shall be defined as: The employment of various communication mediums, including, but not limited to, wire, paired cable, coaxial cable, glass fiber cable, laser beam, satellite, microwave, and all classes of radio frequencies for the purpose of offering all communication services.)
- b. Agreeing to comply with and be bound by the articles of incorporation and Bylaws of the Co-op and any rules and regulations adopted by the board;
- c. Taking communication service; provided, however, that the person, firm, partnership, association, corporation or body politic or subdivision thereof has not made written application to the contrary.

Exchange carriers, interexchange carriers, IP voice carriers, IP transport carriers, wireless carriers, resellers, audio video carriers or point to point dedicated circuit users, who participate with the Co-op in providing communications services are neither members nor patrons by virtue of such activity.

SECTION 2. MEMBERSHIP RECORDS. No membership certificates shall be issued. The current billing records of the Co-op as maintained at the general headquarters office shall constitute the membership record. A person, firm, partnership, association, corporation or body politic or subdivision thereof may have more than one billing record, but multiple billing records shall constitute one membership record.

SECTION 3. JOINT MEMBERSHIP. A husband and wife qualify for joint membership and are automatically joint members unless an application signed by both parties requesting single membership status is on file at the Co-op’s general office and all requirements of Section 1 have been met. The term “member” as used in these Bylaws shall be deemed to include a husband and wife holding a joint membership and any provisions relating to the rights and liabilities of membership shall apply equally with respect to the holders of a joint membership.

Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect of the holders of a joint membership shall be as follows:

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

- b. The vote of either separately or both jointly shall constitute one joint vote;
- c. A waiver of notice signed by either or both shall constitute a joint waiver;
- d. Notice to either shall constitute notice to both;
- e. Expulsion of either shall terminate the joint membership;
- f. Withdrawal of either shall terminate the joint membership;
- g. Either but not both may be elected or appointed as an officer or director
- h. provided the one so elected or appointed meets the qualifications for such office.

SECTION 4. CONVERSION OF MEMBERSHIP. A joint membership may be converted to a single membership upon the receipt of an application for single-status membership signed by both parties. Upon the death of either spouse, the membership will revert to single status automatically.

SECTION 5. MEMBERSHIP FEE. The fee for becoming a member shall be such amount as set by the Board.

SECTION 6. PURCHASE OF COMMUNICATION SERVICE. Each member shall as soon as communication service is available, take communication service from the Co-op, and shall pay therefore monthly rates which shall from time to time be fixed by the board; provided, however, that the board may limit the amount of communication service which the Co-op shall be required to furnish to any one member. It is expressly understood that amounts paid for communication service in excess of the cost of service are furnished by members as capital and each member shall be credited with the capital so furnished as provided in these Bylaws. Each member shall pay to the Co-op such minimum amount per month for communication service as shall be fixed by the board from time to time. Each member shall also pay all amounts owed by him to the Co-op as and when the same shall become due and payable.

SECTION 7. TERMINATION OF MEMBERSHIP.

- a. Any member may withdraw from membership upon compliance with such uniform terms and conditions as the board may prescribe. The board may, by the affirmative vote of not less than two-thirds of all the directors, expel any member who fails to comply with any provisions of the articles of incorporation, Bylaws, or any rules or regulations adopted by the board but only if such member shall have been given written notice by the secretary that such failure makes him 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. The membership of a member, who has ceased to purchase communication service from the Co-

op, shall thereupon be automatically terminated. Upon the subsequent purchase of service by said former member, membership shall be automatically reinstated.

- b. Upon the withdrawal, death, cessation of existence or expulsion of a member, the membership of such member shall thereupon terminate. Termination of the membership in any manner shall not release a member or that member's estate from any debts due the Co-op.

ARTICLE II RIGHTS AND LIABILITIES OF MEMBERS

SECTION 1. PROPERTY INTEREST OF MEMBERS. Upon dissolution, after

- a. All debts and liabilities of the Co-op shall have been paid,
- b. All capital furnished through patronage shall have been retired as provided in these Bylaws, and
- c. All property and assets of the Co-op shall be distributed among the members and former members in the proportion which the aggregate patronage of each member bears to the total patronage of all such members, unless otherwise provided by law.

SECTION 2. NON-LIABILITY FOR DEBTS OF THE CO-OP.

The private property of the members shall be exempt from execution or other liability for the debts of the Co-op and no member shall be liable or responsible for any debts or liabilities of the Co-op.

ARTICLE III MEETINGS OF MEMBERS

SECTION 1. ANNUAL MEETING. The annual meeting shall be held at such time during the month of June in each year, commencing with the year 2001, as shall be designated by the Board of Directors, and at such places as may be designated by the board in Burleigh, Emmons, Kidder, Logan, Sheridan, McLean, or McIntosh Counties, State of North Dakota, for the purpose of electing directors, passing upon reports for the previous 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 and place will not work a forfeiture or dissolution of the corporation.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called by resolution of the board, or upon a written request signed by any three directors, by the president or by not less than 200 members or 10 percentum 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 meeting may be held at any place within the counties of Burleigh, Emmons, Kidder, Logan, Sheridan, McLean, and McIntosh, State of North Dakota, specified in the notice of the special meeting.

SECTION 3. NOTICE OF MEMBERS' MEETINGS. Written notice stating the place, day and hour of the meeting and, in case of a special meeting or an annual meeting at which business requiring special notice is to be transacted, the purpose or purposes for which the meeting is called, shall be delivered not less than ten days nor more than twenty days before the date of the meeting, either personally or by mail, by or at the direction of the secretary, or upon a default in duty by the secretary, by the persons calling the meeting, to each member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at the address as it appears on the records of the Co-op, with postage thereon prepaid. 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 such meeting.

SECTION 4. QUORUM. As long as the total number of members does not exceed five hundred, ten percentum of the total number of members present shall constitute a quorum. In case the total number of members shall exceed five hundred, fifty members or two percentum of the membership, whichever shall be the larger, shall constitute a quorum. If less than a quorum is present at any meeting, a majority of those present in person may adjourn the meeting from time to time without further notice. The minutes of each meeting shall contain a list of the members present in person.

SECTION 5. VOTING. Each member shall be entitled to only one vote upon each matter submitted to a vote at a meeting of the members. All questions shall be decided by a vote of a majority of the members voting thereon in person except as otherwise provided by law, the articles of incorporation or these Bylaws. If a husband and wife hold a joint membership, they shall jointly be entitled to one vote and no more upon each matter submitted to a vote at a meeting of the members. Signed votes shall be valid and entitled to the same force and effect as a vote in person if the member has been previously notified in writing of the exact motion or resolution upon which the vote is taken. Signed votes shall be used only when specifically authorized by resolution or vote of the Board of Directors. An individual may represent more than one member who is other than a natural person, and may also vote as an individual if he is a member. If a member who is other than a natural person is not represented by any of its principal officers, that member may designate an individual to represent it by giving the Co-op a written notice at or before the member meeting, which shows that the designated individual has been authorized by the managing board of such member to represent it at the meeting of this Co-op. An individual person may vote that person's individual membership and may represent more

than one member that is not a natural person.

SECTION 6. 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 meetings:

- a. Report on the number of members present in person in order to determine the existence of a quorum.
- b. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the case may be.
- c. Reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- d. Election of directors.
- e. Presentation and consideration of reports of officers, directors and committees.
- f. Unfinished business.
- g. New business.
- h. Adjournment.

ARTICLE IV DIRECTORS

SECTION 1. GENERAL POWERS. The business and affairs of the Co-op shall be managed by a board of directors which shall exercise all of the powers of the Co-op except such as are by law, the articles of incorporation or these Bylaws, conferred upon or reserved to the members. Based on the affirmative vote of two-thirds of the board, the board shall have the authority to modify the number of directors to any number less than or equal to 9 as allowed by North Dakota law; and to create the number and geographic territory of voting districts.

SECTION 2. ELECTION AND TENURE OF OFFICE.

All directors shall be elected by districts to serve for terms of 3 years. Only the members residing in a district shall be entitled to vote for the director from that district. 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 within a reasonable time thereafter. Each director shall be elected by a plurality of the votes cast from that district.

All election of directors shall be by secret ballot, except that there shall be no requirement of election by ballot for a non-contested election, and in such case the sole candidate may be elected by voice vote. If the balloting shall result in a tie between two or more persons for a plurality of the votes cast, the winner shall forthwith be determined by a flip of a coin by the chairman of the meeting.

Unless otherwise established by the board as allowed in

Section 1, the board of directors will consist of two directors from District 1, two directors from District 2, three directors from District 3, and two directors from District 4 and the Co-op voting districts will be as follows:

- a. District 1 – All territory in which the Co-op operates in the exchanges of Wilton, Regan, Wing, McKenzie and Sterling.
- b. District 2 - All territory in which the Co-op operates in the exchanges of Tuttle, Robinson, Pettibone, Tappen, and Steele.
- c. District 3 - All territory in which the Co-op operates in the exchanges of Kintyre, Hazelton, Strasburg, and Linton.
- d. District 4 - All territory in which the Co-op operates in the exchanges of Napoleon, Lehr, Wishek and Zeeland.

SECTION 3. QUALIFICATIONS. No person shall be eligible to become or remain a director of the Co-op who:

- a. is not a member and is not presently residing in the district from which elected or appointed; or
- b. is in any way employed by or financially interested in a competing enterprise or a business engaged in selling communication service or supplies, or constructing or maintaining communication facilities, other than a business operating on a cooperative nonprofit basis for the purpose of furthering rural telephony, or other than a business in which BEK Communications Cooperative has an ownership interest; or
- c. is one of the following described relatives of an incumbent director or employee of the Co-op: mother, father, husband, wife, sister, brother, or child.
- d. has in the previous two years been an employee of the Co-op.

Upon establishment of the fact that a director is holding office in violation of any of the foregoing provisions, the board 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 meeting of the board.

SECTION 4. NOMINATIONS. It shall be the duty of the board to appoint, not less than forty (40) days before the date of a meeting of the members at which one or more directors are to be elected, a committee on nominations composed of members from each district that will be electing a director. The committee on nominations shall be composed of resident nominating committee members of a number equal to the number of directors from each district that will be electing a director. No members of the board may serve on such committee. The committee shall prepare and post at the principal office of the Co-op at least thirty (30) days before the meeting a list of nominations for directors, which shall include as many nominees for each Board position as

the committee deems desirable.

Any fifteen or more members acting together may make other nominations by petition not less than twenty (20) days prior to the meeting for a director from their district, and the secretary shall post such nominations at the same place where the list of nominations made by the committee is posted. The secretary shall mail with the notice of the meeting, or separately, but at least ten (10) days before the date of the meeting, a statement of the number of directors to be elected and the names and addresses of the candidates from each district specifying separately the nominations made by the committee and the names of the candidates nominated by petition, if any.

The ballot to be used at the election shall contain the names of the candidates nominated by the committee and the names of the candidates nominated by petition, if any.

SECTION 5. REMOVAL OF DIRECTORS BY MEMBERS. No director shall be removed from office unless by a vote of two-thirds of the members of the Co-op at a general meeting held after notice of the time and place thereof and of intention to propose such removal. Meetings of members for this purpose may be called by the president, or by a majority of the directors, or by at least one-half of the members. Such calls must be in writing and addressed to the secretary who thereupon must give notice of the time, place and object of the meeting in accordance with these Bylaws and by whose order it was called. In case of removal, the vacancy may be filled by election at the same meeting, but at such election only the members from the district in which the vacancy exists may vote.

SECTION 6. VACANCIES. Subject to the provisions of these Bylaws 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 foregoing provisions in respect to nominations. All vacancies shall be filled by appointment or election of a member from the same district as that in which the vacancy occurred.

SECTION 7. COMPENSATION. Directors shall not receive any salary for their services as directors, except that by resolution of the board a reasonable fixed sum per diem and expenses of attendance, if any, may be allowed for attendance at each meeting of the board and for attendance at state, area, regional, national and other meetings on behalf of the Co-op where attendance is authorized by the board. No director shall receive compensation for serving the Co-op in any other capacity, nor shall any close relative of a director receive compensation for serving the Co-op, unless the payment and amount of compensation shall be specifically authorized by a vote of the members or the service of such director or close relative shall have been certified by the

board as an emergency measure. Close relatives shall be defined as a spouse, parent, children, brothers and sisters.

ARTICLE V MEETINGS OF DIRECTORS

SECTION 1. REGULAR MEETINGS. A regular meeting of the board shall be held without notice immediately after, and at the same place as, the annual meeting of the members. A regular meeting of the board shall also be held monthly at such time and place as the board may provide by resolution. Such regular monthly meetings may be held without notice other than such resolution fixing the time and place thereof.

SECTION 2. SPECIAL MEETINGS. Special meetings of the board may be called by the president or by any three directors, and it shall thereupon be the duty of the secretary to cause notice of such meeting to be given as hereinafter provided. The president or directors calling the meeting shall fix the time and place for holding of the meeting.

SECTION 3. NOTICE OF DIRECTORS' MEETINGS. Written notice of the time, place and purpose of any special meeting of the board shall be delivered to each director not less than five days previous thereto either personally, by mail, or by email, fax, or other electronic means designated by the board of directors, by or at the direction of the secretary or upon a default in duty by the secretary, by the president or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at the address as it appears on the records of the Co-op with postage thereon prepaid. If notice is given by electronic means, it shall be deemed to be delivered when sent to the email address, fax number, or other electronic address appearing in the records of the Co-op.

SECTION 4. QUORUM. A majority of the board shall constitute a quorum, provided, that if less than such majority of the directors are present they may adjourn the meeting from time to time; and provided further, that the secretary shall notify any absent directors of the time and place of such adjourned meeting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board. Notwithstanding any other provisions of these Bylaws, the board at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of the estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these Bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the board, acting under policies of general application, and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Co-op will not be impaired thereby. The members of the Co-op, by dealing with the Co-op acknowledge that the terms and provisions of the articles of incorporation and Bylaws, shall constitute and be a contract between the Co-

op and each member, and both the Co-op and the members are bound by such contract as fully as though each member had individually signed a separate instrument containing such terms and provisions.

ARTICLE VI OFFICERS

SECTION 1. NUMBER. The officers of the Co-op shall be a president, vice-president, secretary-treasurer, and such other officers as may be determined by the board from time to time.

SECTION 2. ELECTION AND TERM OF OFFICE. The officers shall be elected by ballot, annually by the board at the meeting of the board held immediately after the annual meeting of the members. The secretary-treasurer may be elected from the members. All other officers shall be members of the board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. 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, the vacancy in any office shall be filled by the board for the unexpired portion of the term.

SECTION 3. REMOVAL OF OFFICERS AND AGENTS BY DIRECTORS. Any officer or agent elected or appointed by the board may be removed by the board whenever in its judgment the best interests of the Co-op will be served thereby. In addition, any member of the Co-op may bring charges against an officer, and by filing with the secretary such charges in writing together with a petition signed by ten percentum of the members, or two hundred members, whichever is the lesser, may request the removal of such officer. The officer against whom such charges have been brought shall be informed in writing of the charges at least ten (10) days prior to the board 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 shall have the same opportunity. In the event the board does not remove such officer, the question of removal shall be considered and voted upon at the next meeting of the members.

SECTION 4. PRESIDENT. The president shall:

- a. (a) Be the principal executive officer of the Co-op and, unless otherwise determined by the members of the board, shall preside at all meetings of the members and the board;
- b. (b) 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 Co-op, or shall be required by law to be otherwise signed or executed; and

- c. (c) In general perform all duties incident to the office of president and such duties as maybe prescribed by the board from time to time.

SECTION 5. VICE-PRESIDENT. In the absence of the president or in the event of the president's 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 by the board.

SECTION 6. SECRETARY-TREASURER. The secretary-treasurer shall, personally or by delegation to some employees or corporate attorney:

- a. Keep the minutes of the meeting of the members and of the board in one or more books provided for that purpose;
- b. See that all notices are duly given in accordance with these Bylaws or as required by law;
- c. Be custodian of the corporate records and of the seal of the Co-op and affix the seal of the Co-op to all documents the execution of which on behalf of the Co-op under its seal is duly authorized in accordance with the provision of these Bylaws;
- d. Keep a register of the names and post office addresses of all members;
- e. Have general charge of the books of the Co-op;
- f. Keep on file at all times a complete copy of the articles of incorporation and Bylaws of the Co-op 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 Bylaws and of all amendments thereto to each member;
- g. In general perform all duties incident to the Office of Secretary and such other duties as from time to time may be assigned by the board;
- h. Have charge and custody of and be responsible for all funds and securities of the Co-op;
- i. Be responsible for the receipt of and the issuance of receipts for all monies due and payable to the Co-op and for the deposit of all monies in the name of the Co-op in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and
- j. In general, perform all the duties incident to the Office of Treasurer and such other duties as from time to time may be assigned by the board.

SECTION 7. MANAGER. The board may appoint a manager who may be, but who shall not be required to be a member

of the Co-op. The manager shall perform such duties and shall exercise such authority as the board may from time to time vest in the position.

SECTION 8. BONDS OF OFFICERS. The treasurer and any other officer or agent of the Co-op 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 Co-op to give bond in such amount and with surety as it shall determine.

SECTION 9. 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 10. REPORTS. The officers of the Co-op shall submit at each annual meeting of the members, reports covering the business of the Co-op for the previous fiscal year. Such reports shall set forth the condition of the Co-op at the close of such fiscal year.

ARTICLE VII NONPROFIT OPERATION

SECTION 1. INTEREST OR DIVIDENDS ON CAPITAL PROHIBITED. The Co-op 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 Co-op on any capital furnished by its patrons.

SECTION 2. PATRONAGE CAPITAL IN CONNECTION WITH FURNISHING COMMUNICATION SERVICE. In the furnishing of communication service the Co-op operations shall be so conducted that all members will through their patronage furnish capital for the Co-op. In order to induce patronage and to assure that the Co-op will operate on a non-profit basis the Co-op is obligated to account on a patronage basis to all its members for all amounts, received and receivable from the furnishing of communications service in excess of operating costs and expenses properly chargeable against the furnishing of communication service. All such amounts in excess of operating costs and expenses at the moment of receipt by the Co-op are received with the understanding that they are furnished by the members as capital. The Co-op is obligated to pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Co-op shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Co-op shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to the member's account.

All such amounts credited to the capital account of any member shall have the same status as though they have

been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Co-op corresponding amounts for capital.

All other amounts received by the Co-op from its operations in excess of costs and expense may, insofar as permitted by law, be:

- a. Used to offset any losses incurred during the current or any prior fiscal year, and;
- b. To the extent not needed for that purpose, allocated to its members on a patronage basis and any amount so allocated shall be included as a part of the capital credited to the accounts of members, as herein provided; or
- c. Credited as unallocated surplus or reserve of the Co-op.

In the event of dissolution or liquidation of the Co-op, after all outstanding indebtedness of the Co-op 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 Co-op will not be impaired thereby, the capital then credited to member's accounts may be retired in full or in part. Any such retirements of capital shall be made by either of the following methods or combination thereof as may be elected by the board at the time of retirement.

1. First In First Out (FIFO) - Any retirements of capital shall be made in order of priority according to the year in which capital was furnished and credited, the capital first received by the Co-op being first retired.
2. Percentage Method - Capital shall be retired on the basis of a percentage of all capital furnished for any given year or combination of years.

Notwithstanding any other provisions of these Bylaws, if the board shall determine that the financial condition of the Co-op will not be impaired thereby and if age 70, or any such other age as the board may set from time to time, has been reached by any member or former member with accumulated capital credits, then that member or former member may, by making written application to the Co-op, receive the amount of capital credited to the account at the time of the request. Any future amounts credited to the account would not qualify for retirement until such time as the estate of the member was closed or a general retirement was made to all members.

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

ARTICLE VIII DISPOSITION OF PROPERTY

The Co-op 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 Co-op, and unless the notice of such proposed sale, mortgage, lease or other disposition or encumbrance shall have been contained in the notice of the meeting; provided, however, that notwithstanding anything herein contained, the board, 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 Co-op, 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 Co-op to the United States of America or any instrumentality or agency thereof.

ARTICLE IX SEAL

The corporate seal of the Co-op shall be in the form of a circle and shall have inscribed thereon the name of the Co-op and the words "Corporate Seal, North Dakota."

ARTICLE X FINANCIAL TRANSACTIONS

SECTION 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 Co-op, and such authority may be general or confined to specific instances.

SECTION 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, and all notes, bonds or other evidences of indebtedness issued in the name of the Co-op shall be signed by such officer or officers, agent or agents, employee or employees of the Co-op and in such manner as shall from time to time be determined by resolution of the board.

SECTION 3. DEPOSITS. All funds of the Co-op shall be deposited from time to time to the credit of the Co-op in such bank or banks as the board may select.

SECTION 4. FISCAL YEAR. The fiscal year of the Co-op shall begin on the first day of January of each year and shall end on the thirty-first day of December of the same year.

ARTICLE XI MISCELLANEOUS

SECTION 1. MEMBERSHIP IN OTHER ORGANIZATIONS.

The Co-op shall not become a member of or purchase stock in any other organization without an affirmative vote of the members at a duly held meeting, the notice of which shall specify that action is to be taken upon such proposed membership or stock purchases. However, the Co-op may, upon the authorization of the board, purchase stock in or become a member of any organization necessary or convenient to providing communications-related goods and services or for the purpose of acquiring communication facilities or assuring more adequate communication service to its members.

SECTION 2. WAIVER OF NOTICE. Any member or director may waive in writing any notice of a meeting required to be given by these Bylaws. The attendance of a member or director at any meeting shall constitute a waiver of notice of such meeting by such member or director, except in case a member or director shall attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

SECTION 3. RULES AND REGULATIONS. The board shall have the power to make and adopt such rules and regulations, not inconsistent with law, the articles of incorporation or these Bylaws, as it may deem advisable for the management of the business and affairs of the Co-op.

SECTION 4. ACCOUNTING SYSTEM AND REPORTS.

The board shall cause to be established and maintained a complete accounting system which among other things, and subject to applicable laws and rules and regulations of any regulatory body shall conform to such accounting system and may from time to time be designated by the Administrator of Rural Utilities Services (RUS) of the United States of America. The board shall also after the close of each fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the Co-op as of the end of such fiscal year. Such audit reports shall be submitted to the members at the next following annual meeting.

SECTION 5. INDEMNIFICATION. The Co-op shall indemnify and hold harmless each director, officer, manager, employee, or agent of this Co-op, and any person serving at the request of this Co-op as a director, officer, manager, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against all expenses (including attorney's fees), judgements, fines, penalties, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, to which said individual is, was or at any time becomes a party, or is threatened to be made a party, by reason of the fact of serving in said capacity, to the fullest

extent to which said individual may be indemnified under the law of this state, or any amendments thereto or substitutions therefor.

Expenses (including attorney's fees) actually and reasonably incurred by one of the above named individuals in connection with any action, suit, or proceeding may be paid by this Co-op in advance upon written application if said individual shall undertake to repay such amount to the extent that it shall ultimately be determined that said individual is not entitled to be indemnified by this Co-op under the provisions of the laws of North Dakota or the Co-op's Bylaws.

No indemnity hereunder shall be paid by the Co-op:

- a. If a final decision by a Court having jurisdiction in the matter shall determine that such indemnification is unlawful;
- b. If the conduct of the individual seeking indemnification is finally adjudged to have been knowingly fraudulent, deliberately dishonest, or willful misconduct;
- c. Except to the extent the aggregate amount to be indemnified exceeds the losses for which said individual is indemnified pursuant to any insurance purchased and maintained by this Coop.

SECTION 6. PARLIAMENTARY PROCEDURE. Parliamentary procedure shall be followed at all member meetings, board of director meetings, and meetings of any committees, except as provided by law or the Bylaws. Parliamentary procedure shall be governed by the latest edition of "Roberts Rules of Order."

ARTICLE XII AMENDMENTS

These Bylaws may be altered, amended or repealed by a vote of a majority of the members present and voting at any regular or special meeting at which a quorum is

present provided that the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal; and further provided that the provisions of Article VIII of these Bylaws pertaining to Disposition of Property may be altered, amended or repealed only by the affirmative vote of not less than two-thirds of all current members of the Co-op. Any such alteration, amendment, or repeal shall be certified by the secretary of the Co-op and copied in the book of Bylaws together with the date of such meeting. No such alteration, amendment or repeal shall take effect until so copied.

CERTIFICATE

I, Billie Becker, Secretary-Treasurer of BEK COMMUNICATIONS COOPERATIVE of Steele, North Dakota, do hereby certify that the foregoing is a true, correct and complete copy of the Bylaws of said corporation, as amended to date.

Dated this 9th day of June, 2016.

S/ _____

Billie Becker
Secretary-Treasurer

MISSION STATEMENT:

BEK Communications Cooperative is dedicated to providing quality communications services to all of our customers.

VALUES:

We will provide all services in a technically feasible and financially responsible manner.

We recognize that our employees are vital to the success of our organization and will strive to provide them with the tools required to meet our mission.

We recognize that we live and work in our communities and will strive to be good corporate citizens.