

BYLAWS
OF
CITIZENS MUTUAL TELEPHONE COOPERATIVE
(hereinafter the "Cooperative")

ARTICLE 1
MEMBERS AND MEMBERSHIP

Section 1.1. Membership in the Cooperative is nontransferable and is restricted to subscribers to local wireline telephone service from the Cooperative. Provided, however, that exchange, interexchange wireless carriers and other providers who compete with the Cooperative in the provision of telecommunications services are not eligible to be members or patrons of the Cooperative. Any person, partnership, corporation, other business entity or governmental unit may become a member of the Cooperative, upon receipt of local wireline telephone service from the Cooperative, provided that the prospective member has:

- a. made application for membership in a form approved by the Cooperative, including payment of a membership fee as determined by the Cooperative;
- b. agreed to purchase local telephone service from the Cooperative in accordance with the established tariffs and contracts;
- c. agreed to comply with and be bound by the articles of incorporation and bylaws of the Cooperative and any rules, regulations and policies adopted by the Board of Directors;

Section 1.2. Subject to joint membership by a husband and wife, only one person or entity shall be deemed the subscriber to local telephone services from the Cooperative with respect to any one telephone number, and only one person per household or place of business shall qualify as a subscriber regardless of the number of telephone numbers servicing the household or place of business. In the case where more than one person or entity uses a particular telephone number, or where a household or place of business is serviced by more than one telephone number, the customers shall designate one person or entity as the subscriber. If no designation is made, the first name listed on the account shall be deemed to be the subscriber. Only the subscriber shall qualify for membership in the Cooperative.

Section 1.3. The term "member" as used in these bylaws shall be deemed to include a husband and wife holding a membership jointly and any provisions relating to the rights and liabilities of members shall apply equally with respect to the joint owners of a membership. Without limiting the generality of the foregoing, the effect of the hereinafter specified actions by or in respect 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 (1) member and shall constitute a joint waiver of notice of the meeting;

- b. the vote of either separately or both jointly shall constitute one (1) 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 both;
- f. withdrawal of either shall terminate both;
- g. either, but not both, may be elected or appointed as an officer or board member, provided that both meet the qualifications for such office;
- h. upon the death of either, the membership shall be held solely by the survivor.

Section 1.4. Each member shall, as soon as service is available, take local telephone service from the Cooperative and shall pay for such service monthly in accordance with the established tariffs and contracts as fixed by the Board of Directors. Amounts paid for services in excess of costs 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 also pay all amounts owed by him or her to the Cooperative as and when the same shall become due and payable.

Section 1.5. No local telephone service shall be provided to persons, partnerships, corporations, other business entities or governmental units other than members, except upon terms and conditions as may be prescribed by the Board of Directors.

Section 1.6. If any member or subscriber refuses or fails to pay his or her assessment or charge for service when due, his or her rights as a member of this Cooperative may be suspended by vote of the Board of Directors, and service may be denied during the period said assessment or charge for service remains unpaid, all in accordance with applicable laws and regulations.

Section 1.7. If any payment of retired capital credits or account refund shall be unclaimed by the member entitled thereto, or the member's successor in interest, for a period of one year from the date of the payment, then the payment shall be deemed to have been refused by the member and contributed to the Cooperative's retained earnings as capital.

ARTICLE 2 MEMBER MEETINGS

Section 2.1. The Annual Meeting of the Cooperative shall be held on a date designated by the Board of Directors each year at such time and place as may be designated by the Board of Directors.

Section 2.2. Special meetings of the members may be called at any time by the President, by a majority of the Board of Directors, or upon written demand signed by twenty percent (20%) of the members of the Cooperative. Such written demand signed by the members must be delivered to the Secretary and must state the purpose for which the special meeting is called.

Section 2.3. Notice of each annual or special meeting of the members shall be given by mailing a written notice of the meeting to each member of record not less than ten (10) days nor more than sixty (60) days prior to the date of the meeting. The written notice shall state the date, time and place of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

Section 2.4. The Secretary shall mail with the notice of meeting called for in Section 3 above, a statement of the number of directors to be elected, the nominations made by the Nominating Committee pursuant to Section 4.4a and the nominations by petition pursuant to Section 4.4b of the bylaws, together with a ballot marked "Ballot for Directors" containing the names of all the nominees to the office of director, alphabetically arranged and stating the residence of each. Such statements shall also inform the members of the manner in which they may vote by mail for the directors as provided in this Section. Any member who is absent from the annual meeting may vote by mail for directors by marking on the ballot an "X" opposite the names of the number of candidates equal to the number of directors to be elected and enclosing the ballot in a sealed envelope bearing the member's name, addressed to the Secretary. When such ballot, so enclosed, is received by mail from an absent member, it shall be accepted and counted as a vote for director. Unless otherwise provided by law, at each meeting for election of directors, each member entitled to vote shall be entitled to one vote for as many persons as there are directors to be elected. Directors shall be elected by a plurality of the votes cast.

Section 2.5. Each member shall be entitled to one (1) vote upon each matter submitted to a vote at a meeting of the members. The affirmative vote of the majority of the members present at any annual or special meeting shall be the act of the members, unless the vote of a greater number is required by Iowa law, the articles of incorporation or the bylaws.

Section 2.6. The chairperson of any meeting of members shall determine the order of business and procedure at the meeting, including such regulation of the manner of voting and the conduct of business as seem to him or her to be in order.

Section 2.7. Voting for the election of directors and on resolutions to amend the articles of incorporation or bylaws shall be by written ballot. All other motions and resolutions shall be put to an oral vote. The President shall appoint tellers to take, count, record and announce voting results which shall be entered into the Secretary's minutes.

ARTICLE 3 NONSTOCK MEMBERSHIP

Section 3.1. The Cooperative shall have no capital stock.

Section 3.2. There shall be a membership fee in an amount determined by the Board of Directors.

Section 3.3. The name of the person and/or persons, firm, partnership, corporation or other business entity owning the membership and the date of issue, shall be entered on the Cooperative's membership record book.

Section 3.4. Membership shall be nontransferable.

Section 3.5. The Board of Directors may, by the affirmative vote of not less than two-thirds (2/3) 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 and regulations adopted by the Board of Directors, but only if such member shall have been given written notice by the Cooperative that such failure makes him or her liable to expulsion and such failure shall have continued for at least ten (10) days after such notice is given. The membership of any member who for a period of thirty (30) days after service is available to him or her has not permitted the installation of service, or of a member who has ceased to purchase service from the Cooperative, may be voluntarily withdrawn by the member or cancelled by resolution by the Board of Directors.

ARTICLE 4 DIRECTORS

Section 4.1. The affairs of the Cooperative shall be managed by a Board of Directors composed of nine (9) elected directors, all of whom shall be members of the Cooperative. Any director who ceases to be a member shall also cease to be a director. The directors shall have the general management and control of the business and affairs of the Cooperative and shall exercise all the powers that may be exercised or performed by the Cooperative under the statutes and laws of the State of Iowa, the articles of incorporation and these bylaws. The Board of Directors may appoint a manager who shall perform such duties and shall exercise such authority as the Board of Directors may from time to time vest in him or her.

Section 4.2. At each Annual Meeting of the members, three (3) directors shall be elected by the members. The term of each director shall be three (3) years.

Section 4.3. Directors shall be elected from the following prescribed director areas:

- One (1) director, resident of Mark Exchange
- One (1) director, resident of Pulaski Exchange
- One (1) director, resident of Floris Exchange
- One (1) director, resident of Drakesville Exchange
- One (1) director, resident of Rural Bloomfield Exchange
- Three (3) directors, residents of City of Bloomfield Exchange

One (1) director shall be at large, and may be a resident of any of the six above prescribed exchange areas.

Section 4.4a. No later than the date of the third regular meeting of the Board of Directors preceding an Annual Meeting of the members, each director shall appoint a member of the Nominating Committee. The Nominating Committee shall meet as directed by the Board of Directors for the purpose of nominating members to the office of director. Nominees shall be selected in accordance with the director area representation prescribed in Section 4.3 above. The Secretary of the Cooperative shall mail a statement of the nominations made by the Nominating Committee to each member not later than sixty (60) days prior to the date of the Annual Meeting of Stockholders.

Section 4.4b. Any fifteen (15) or more members acting together may make other nominations by petition. Nominations by petition filed with the Secretary at least forty (40) days prior to the date of the Annual Meeting shall be included on the official ballot. Nominations by petition received by the Secretary thereafter shall be treated as nominations from the floor. Nominees by petition must meet the residency requirements and other qualifications prescribed above.

Section 4.4c. At the Annual Meeting of the members, the Secretary shall receive nominations from the floor. Nominees from the floor shall meet the residency requirements and other qualifications prescribed above.

Section 4.5a. No person who is related by consanguinity or affinity, within the second degree, to any existing director or employee of the Cooperative, shall be nominated, elected or appointed as a director.

Section 4.5b. Directors must be members in the Cooperative in order to qualify for office. No person shall be eligible to become or remain a director who is in any way employed by, or whose spouse is in any way employed by or has a financial interest in an enterprise, other than a de minimis interest in a publicly held company, a portion of whose business is or would be in significant competition with the Cooperative by engaging in or selling telecommunications services or supplies or constructing or maintaining telecommunications facilities. If it is established that a director is holding office in violation of any of the foregoing provisions, that person shall at once cease to be a director. Notwithstanding the above, however, a director elected to represent a particular exchange who moves out of that exchange area but into another exchange area of the Cooperative may continue to serve on the Board of Directors until his or her current term expires.

Section 4.6. The present directors shall continue to hold office for the remainder of the term for which each was elected and thereafter until their successors have been elected or appointed as provided in these bylaws.

Section 4.7. Regular monthly meetings of the Board of Directors shall be held each month on such day and at such time as shall be designated by the directors. Notice of the regular meetings of the Board of Directors shall not be required.

Section 4.8. Special meetings of the Board of Directors may be called by the President or any three (3) directors who shall give oral or written notice of the date, time and place of said special meeting to all directors at least twenty-four (24) hours prior to the meeting. Action taken at any special meeting of the Board of Directors whereat two-thirds (2/3) of said directors are present shall not be invalidated for want of notice.

Section 4.9. A majority of the Board of Directors shall constitute a quorum.

Section 4.10. Vacancies in the Board of Directors shall be filled by appointment made by the remaining directors. Each person so appointed to fill a vacancy shall serve until the next election of directors by the members. Any member appointed to fill a vacancy shall be from the same exchange area as his or her predecessor in order to maintain the same area representation.

ARTICLE 5 OFFICERS

Section 5.1. The officers of the Cooperative shall be a President, Vice President, Secretary, Treasurer, and such officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 5.2. The Board of Directors shall annually elect, from the membership of the Board of Directors, a President, Vice President, Secretary and Treasurer who shall be elected at a special, organizational meeting of the Board of Directors, which may be held immediately following adjournment of each annual meeting of the members of the Cooperative. Each officer so elected shall hold office until the first meeting of the Board of Directors following the next succeeding annual meeting of the members or until his or her successor shall have been elected and shall have qualified. A vacancy in any office shall be filled by the Board of Directors for the unexpired portion of the term.

Section 5.3. Any officer elected by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Cooperative will be served thereby.

Section 5.4. The President shall:

a. be the principal executive officer of the Cooperative and, unless otherwise determined by the Board of Directors, shall preside at all meetings of the Board of Directors;

b. sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or these bylaws to some other officer or agent of the Cooperative, or shall be required by law to be otherwise signed or executed;

c. perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 5.5. The Vice President shall, in the absence of the President, or in the event of his or her inability or refusal to act, perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him or her by the Board of Directors.

Section 5.6. The Secretary shall be responsible for:

a. keeping the minutes of the meeting of the members and of the Board of Directors in books provided for that purpose;

b. seeing that all notices are duly given in accordance with these bylaws or as required by law;

c. keeping of the corporate books and records;

d. keeping a register of the names and post office addresses of all members;

e. keeping 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);

f. performing all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Board of Directors.

Section 5.7. The Treasurer shall be responsible for:

a. custody of all funds and securities of the Cooperative;

b. 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;

c. 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 or her by the Board of Directors.

Section 5.8. The Treasurer and any other officer or agent of the Cooperative charged with the responsibility for the custody of any of its funds or properties may be bonded in such sum and with such surety as the Board of Directors shall determine. The Board of Directors in its discretion may also require any other officer, agent, or employee of the Cooperative be bonded in such amount and with such surety as it shall determine.

Section 5.9. The powers, duties, and compensation of the officers of the Cooperative shall be fixed by the Board of Directors.

Section 5.10. The officers of this Cooperative shall submit at each annual meeting of the members, reports covering the business of the Cooperative for the previous fiscal year.

ARTICLE 6 EXECUTION OF INSTRUMENTS

Section 6.1. All checks, drafts, and orders for payment of money shall be signed in the name of the Cooperative by such officers or agents as the Board of Directors shall from time to time designate for that purpose.

Section 6.2. When the execution of any contract, conveyance or other instrument has been authorized without specification of the executing officer, the President and the Secretary may execute the same in the name of and on behalf of this Cooperative. The Board of Directors shall have the power to designate the officers and agents who shall have authority to execute any instruments on behalf of the Cooperative.

Section 6.3. The Cooperative shall have the right to buy, hold, sell and convey personal property and such real estate as may be necessary or convenient for proper conduct of the affairs of this Cooperative.

Section 6.4. All conveyances of real property made by the Cooperative shall be executed by the President and countersigned by the Secretary. All releases to be made of record may be executed by the President, Vice President or Secretary of the Cooperative.

ARTICLE 7 NONPROFIT OPERATION

Section 7.1. The Cooperative shall at all times be operated on a cooperative nonprofit basis for the mutual benefit of its members. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its members.

Section 7.2. In the furnishing of telephone and other communication services, the Cooperative's operations shall be conducted so that all members will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a nonprofit basis, the Cooperative is obligated to account on a patronage basis to all its members for all amounts received and receivable from the furnishing of telephone and other communication services in excess of the operating cost and expenses properly chargeable against the provision of such services. All such amounts in excess of the operating costs and expenses at the moment of receipt by the Cooperative are with the understanding that they are furnished by the members as capital. The Cooperative is obligated to

pay by credits to a capital account for each member all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each fiscal year, the amount of capital, if any, so furnished by each member, is clearly reflected and credited in an appropriate record to the capital account of each member, and the Cooperative shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to his or her account. All such amounts credited to the capital account of any member shall have the same status as though they had been paid to the member in cash pursuant to a legal obligation to do so and the member had then furnished the Cooperative corresponding amounts for capital.

As used herein, the term “telephone and other communication services” does not include the wholesale or retail sale of merchandise, the purchase of products or services by a telecommunications company from the Cooperative, or the payment of any fees or settlements by another telecommunications company to the Cooperative other than for local service.

Section 7.3. 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 credited to members’ accounts may be retired in full or in part. Any such retirements of capital shall generally be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Cooperative being retired first; provided, however, that if the Board of Directors determines that the financial condition of the Cooperative will not be impaired thereby, the Cooperative may retire a portion of capital furnished or credited in subsequent years in an amount and manner determined by the Board.

Section 7.4. Capital credited to the account of each member shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or part of such members’ premises served by the Cooperative unless the Board, acting under policies of general application, shall determine otherwise.

Section 7.5. Notwithstanding any other provision of these bylaws, the Board at its discretion, shall have the power at any time upon the death of any member, if the legal representatives of his or her estate shall request in writing that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board, acting under policies of general application, and the legal representative of such member’s estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

Section 7.6. Notwithstanding any other provision of these bylaws, the Board, in its sole discretion, shall have the power to retire the capital credited to any member’s account prior to the time such capital would otherwise be retired under the provisions of these bylaws in order to facilitate the timely settlement of legal matters, including but not limited to the bankruptcy of a

member, provided the interests of the Cooperative and its members are deemed to be furthered and the financial condition of the Cooperative will not be impaired thereby. In such cases, the Board's decision to retire capital shall be considered on a case-by-case basis and capital retired shall be retired on terms and conditions as may be deemed appropriate by the Board.

Section 7.7. 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 between the Cooperative and each member, and both the Cooperative and the members are bound by such contract as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the bylaws shall be called to the attention of each member of the Cooperative by posting in a conspicuous place in the Cooperative's office.

ARTICLE 8 DIVIDENDS

Section 8.1. No dividend may be authorized by the members or directors of this Cooperative. This shall not prevent the Cooperative from making payments consistent with the provisions of Article VII.

ARTICLE 9 SUSPENSION OF BYLAWS

Section 9.1. Any of these bylaws, except such bylaws as are embodied in the articles of incorporation, may be suspended by a vote of seventy-five percent (75%) of the members present or represented at any annual or special meeting of the members.

ARTICLE 10 AMENDMENT OF BYLAWS

Section 10.1. The bylaws of the Cooperative, except such bylaws as are embodied in the articles of incorporation, may be altered, amended or repealed by a vote of seventy-five percent (75%) of the members of the Board of Directors of the Cooperative or by a vote of seventy-five percent (75%) of the members of the Cooperative present or represented, having voting privileges, at any regular or special meeting of the members, provided that proposals by members to adopt, alter, amend or repeal bylaws by a vote of the members shall be presented to the Cooperative's principal office for mailing to the members by the Cooperative not less than ten (10) nor more than sixty (60) days prior to the meeting at which the proposed change is to be considered.

CERTIFICATE OF ADOPTION

The attached bylaws correctly set forth the bylaws of Citizens Mutual Telephone Cooperative with the most recent amendments thereto adopted at a meeting of the Board of Directors on June 7, 2005.

CITIZENS MUTUAL TELEPHONE COOPERATIVE

By: Roger C. Rupe
 President

Attest: R. Kurt Swaim
 Secretary