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August 12, 2014

Public Service Commission of North Dakota  
Attn: Darrell Nitschke, Executive Secretary  
600 East Boulevard Avenue, Depart. 408  
Bismarck, ND 585050-0480

*Re: Roberts County Telephone Cooperative Association – Application for  
Expansion of Eligible Telecommunications Carrier Designated  
Geographical Service Area*

Dear Mr. Nitschke,

On behalf of our client, Roberts County Telephone Cooperative Association ("Roberts County"), a South Dakota cooperative, and with respect to the approval of its members of a merger of its wholly-owned subsidiary, RC Communications, Inc., into Roberts County, enclosed please find for filing with the Commission one original and five (5) copies of an Application of Roberts County Telephone Cooperative for Expansion of Eligible Telecommunications Carrier Designated Geographical Service Area, together with the following attachments:

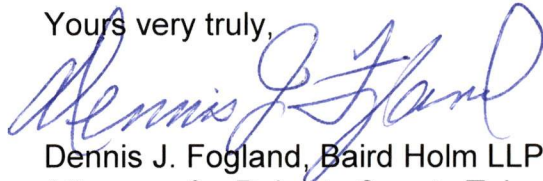
1. Application for Protective Order (Trade Secret Confidential Information for the Financial Statements, as noted below);
2. Affidavit of Scott Bostrom, General Manager of Roberts County and RC Communications in Support of Filing;
3. Certificate of Fact for Roberts County and Certificate of Existence for RC Communications, Inc. both issued on July 21, 2014;
4. Consolidated Financial Statements of Roberts County as of December 31, 2013 and December 31, 2012 (the Financial Statements are included in a separate envelope marked 'trade secret' pursuant to the request for confidentiality);
5. Certified Copy of Amended and Restated Articles of Incorporation of Roberts County, as filed with South Dakota Secretary of State on July 7, 2014; and

August 12, 2014  
Page 2

6. Agreement and Plan of Merger, dated May 1, 2014, between Roberts County Telephone Cooperative Association and RC Communications, Inc.

This Application is being filed concurrently with a separate Application for Certificate of Public Convenience and Necessity.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Dennis J. Fogland".

Dennis J. Fogland, Baird Holm LLP  
Attorneys for Roberts County Telephone  
Cooperative Association

DJF/lkn

cc: Scott Bostrom, General Manager, Roberts County

DOCS/1274273.1

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

Application of Roberts County Telephone  
Cooperative Association for Expansion of Eligible  
Telecommunications Carrier Designated  
Geographical Service Area

Case No. PU-14-\_\_\_\_\_

**APPLICATION**

I.

Roberts County Telephone Cooperative Association, a South Dakota cooperative (hereinafter "Roberts County"), under Certificate of Public Convenience and Necessity issued by the North Dakota Public Service Commission (hereinafter the "Commission"), is engaged in the business of providing local exchange telecommunications service, exchange access and other telecommunications activities in the North New Effington, North Dakota Exchange (Certificate No. 5749, dated May 29, 2013, pursuant to Case No. PU-13-241).

II.

RC Communications, Inc., a wholly owned subsidiary of Roberts County (hereinafter "RC Communications"), under a Certificate of Public Convenience and Necessity issued by the Commission, is engaged in the business of providing local exchange telecommunications service, exchange access and other telecommunications services in the "North Veblen, North Dakota Exchange" (Certificate No. 5740, dated May 29, 2013, pursuant to Case No. PU-13-239). The North Veblen, North Dakota Exchange of RC Communications has approximately eight (8) North Dakota access lines.

III.

On June 10, 2014, the cooperative members of Roberts County approved the merger (hereinafter referred to as the "Merger") of RC Communications (the wholly-owned subsidiary) into Roberts County (the parent company), in accordance with and subject to the terms of Agreement and Plan of Merger, dated May 1, 2014 (the "Merger Agreement"). Under the Merger Agreement, the Merger, which is subject to the receipt of any required approval of state and federal regulatory authorities, including the North Dakota Public Service Commission, is to be effective 11:59 p.m., December 31, 2014 ("Merger Effective Time"). The Merger Agreement was approved by the sole shareholder of RC Communications and its board of directors, as of April 29, 2014.

Under the Merger Agreement and in accordance with South Dakota Cooperative Association Act, at the Merger Effective Time, full right, title and possessions to all assets, property, rights, privileges, powers and franchises of RC Communications shall vest in Roberts County. Upon effectiveness of the Merger, RC Communications shall cease doing business as a provider of local exchange telecommunications service and exchange access in the North Veblen, North Dakota Exchange, and Roberts County will be engaged in the business of providing local exchange telecommunications service and exchange access and other telecommunications activities in the North Veblen, North Dakota Exchange.

#### IV.

RC Communications, the wholly owned subsidiary, desires to relinquish its Certificate of Public Convenience and Necessity Number 5740 (for the North Veblen, North Dakota Exchange) and for such relinquishment to be effective as of Merger Effective Time, and to have such Certificate assigned to Roberts County Telephone Cooperative Association.

#### V.

Roberts County Telephone Cooperative has been designated by the Commission as an eligible telecommunications carrier to receive universal service support under Section 214 and 254 of the Federal Communications Act of 1934, as amended by the Federal Telecommunications Act of 1996 (hereinafter the "1996 Act"). Roberts County's eligible telecommunications carrier (ETC) designated geographical service area for the purpose of determining universal service obligations and support mechanisms under the 1996 Act is currently the Roberts County Telephone Cooperative Service Area. Effective as of the Merger Effective Time, Roberts County will expand its designated geographical service area for ETC purposes to include the North Veblen, North Dakota Exchange for purposes of determining universal service obligations and support mechanisms under the 1996 Act.

#### VI

All subscribers served by the RC Communications in the North Veblen, North Dakota Exchange prior to the Merger Effective Time will be served by Roberts County Telephone Cooperative Association following the Merger Effective Time. Roberts County intends to charge the same rates for basic local services in the North Veblen, North Dakota Exchange as RC Communications is currently charging its subscribers in said exchange. Roberts County Telephone Cooperative Association has previously, as part of its annual filings with the Commission, provided information required by Section 69-09-05-12.1 of the Commission's Rules and will do so in the future.

## VII.

There is a clear need for continuing quality telecommunications services in the North Veblen, North Dakota Exchange. The application being filed at the same time as this document for relinquishment of the RC Communications' Certificate of Public Convenience and Necessity will have no effect on other public utilities providing similar services as there are no other public utilities providing similar services in said exchanges. Roberts County, having served the North Veblen, North Dakota Exchange through its subsidiary, RC Communications, since June 1996, has demonstrated that it has the technical, financial and managerial fitness and ability to provide adequate essential and nonessential telecommunications services in the North Veblen, North Dakota Exchange. The technical fitness and ability of Roberts County to provide services in this exchange will be enhanced and facilitated by Roberts County's acquisition through the Merger of the assets that RC Communications is currently using to provide such services in the RC Communications exchange. The provision of adequate essential and nonessential telecommunications services in the RC Communications exchange, will be facilitated and supported by the full current technical, financial and managerial capabilities of Roberts County Telephone Cooperative Association, and by the full technical, financial and managerial capabilities of RC Communications, which is being acquired by and assimilated into Roberts County Telephone Cooperative Association. While Roberts County believes it currently has ETC status through RC Communications for the North Veblen, North Dakota Exchange, Roberts County desires to further this by receiving an affirmative designation from the Commission in this Application.

## VIII.

Following the Merger Effective Time (beginning January 1, 2015), Roberts County Telephone Cooperative Association will be offering all services that are supported by federal universal service support mechanisms under § 254(c) of the 1996 Act and 47 C.F.R. §§ 54.101 and 54.401, using its own facilities and will advertise the availability of such services and the charges therefore using media of general distribution through the North New Effington, North Dakota and North Veblen, North Dakota Exchanges. Roberts County will and has met all the criteria necessitated by NDAC Section 69-09-05-12, as evidenced with its filing of its Annual Report, dated July 22, 2014 (Case No. PU-14-666) on behalf of Roberts County and RC Communications (combined study area SAC 391674). Reference is made to the Affidavit of Scott Bostrom in Support of Applications for Certificates of Public Convenience and Necessity and for Designation as an Eligible Telecommunications Carrier Application submitted with this Application in support of such regulatory compliance by Roberts County.

## IX.

The Commission has authority under N.D.C.C. § 49-21-01.7(7) and § 49-21-01.7(13) to designate geographic service areas for designated eligible

telecommunications carriers for the purpose of determining universal service obligations and support mechanisms under the 1996 Act.

X.

WHEREFORE, Roberts County and RC Communications have applied, concurrently to: (1) transfer eligible telecommunications status for the RC Communications exchanges from RC Communications to Roberts County by this Application, pursuant to N.D.C.C. § 49-21-01.7(13) (effective as of the Merger Effective Time), and (2) relinquish its Certificates of Public Convenience and Necessity No. 5740 for the North Veblen, North Dakota Exchange effective as of the Merger Effective Time, and have it transferred to Roberts County, pursuant to N.D.A.C. 69-09-05-11(6), by a companion application.

XI.

WHEREFORE, pursuant to N.D.C.C. § 49-03.1-05, Applicants request that the Commission grant the above requested relief without a hearing, if no interested party has requested a hearing on this Application after receiving at least twenty (20) days' notice of opportunity to request such a hearing and to grant ETC status to Roberts County for the service area of RC Communications being transferred into Roberts County; namely the North Veblen, North Dakota Exchange.

Dated this 7<sup>th</sup> day of August, 2014.

**ROBERTS COUNTY TELEPHONE COOPERATIVE ASSOCIATION**



By: Scott Bostrom, General Manager

STATE OF SOUTH DAKOTA  
COUNTY OF Roberts

On this 7<sup>th</sup> day of August, 2014, before me, a Notary Public in and for said County and State, personally appeared Scott Bostrom, known to me to be the General Manager of Roberts County Telephone Cooperative Association, the South Dakota cooperative that is described in and executed the within instrument, and acknowledged to me that such cooperative association executed the same.



Notary Public

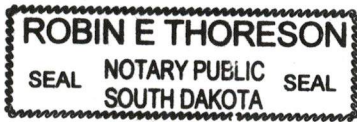


**RC COMMUNICATIONS, INC.**

*Scott Bostrom*  
By: Scott Bostrom, General Manager

STATE OF SOUTH DAKOTA  
COUNTY OF Roberts

On this 7<sup>th</sup> day of August, 2014, before me, a Notary Public in and for said County and State, personally appeared Scott Bostrom, known to me to be the General Manager of RC Communications, Inc., the South Dakota corporation that is described in and executed the within instrument, and acknowledged to me that such corporation executed the same.



*Robin E Thoreson*  
Notary Public

**My Commission Expires Oct. 27, 2016**

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

Roberts County Telephone Cooperative  
Association Applications for Certificates of  
Public Convenience and Necessity (Case No. PU-\_\_\_\_ )  
and Expansion of ETC Certification (Case No. PU-\_\_\_\_ )

Case No. PU-14-\_\_\_\_

**AFFIDAVIT OF SCOTT BOSTROM IN SUPPORT OF APPLICATIONS FOR  
CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND FOR  
DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER ("ETC")**

Scott Bostrom, General Manager of Roberts County Telephone Cooperative Association and RC Communications, Inc., states under oath:

1. My name is Scott Bostrom and I am the General Manager of both Roberts County Telephone Cooperative Association ("Roberts County") and RC Communications, Inc. ("RC Communications"), which is a wholly-owned subsidiary of Roberts County. On June 10, 2014, the cooperative members of Roberts County approved the merger (hereinafter referred to as the "Merger") of RC Communications (the wholly-owned subsidiary) into Roberts County (the parent company), in accordance with and subject to the terms of Agreement and Plan of Merger, dated May 1, 2014 (the "Merger Agreement"). Under the Merger Agreement, the Merger, which is subject to the receipt of any required approval of state and federal regulatory authorities, including the North Dakota Public Service Commission, is to be effective 11:59 p.m., December 31, 2014 ("Merger Effective Time"). The Merger Agreement was approved by the sole shareholder of RC Communications and its board of directors as of April 29, 2014.

2. I submit this affidavit in support of Roberts County's application to acquire and receive assignment of Certificate of Public Convenience and Necessity (Certificate No. 5740, dated May 29, 2013, for the North Veblen, North Dakota Exchange, referred herein as the "PCN Certificate") held by RC Communications and the application for expansion of designation of Roberts County Telephone Cooperative Association as an Eligible Telecommunications Carrier ("ETC") in the RC Communications North Veblen, North Dakota Exchange, such Exchange becoming an asset of, and owned by, Roberts County pursuant to the Merger, and being the exchange for which the prior PCN Certificate had been issued to RC Communications in the State of North Dakota.

3. The two applications submitted in these proceedings, along with the attachments and exhibits submitted with such applications are true and correct to the best of my knowledge and I affirm the information contained therein under oath and hereby incorporate such information by reference as if contained herein.

4. I am familiar with the procedures under § 69-09-05-12, North Dakota Administrative Code ("NDAC"), regarding a report that each ETC applicant must submit during the application process and the continuing duty to file an annual report that is required by §69-09-05-12.1 of the NDAC. Roberts County Telephone Cooperative Association and its wholly owned subsidiary, RC Communications, have filed the 2014 Annual Report information (Case No. PU-14-666, dated July 22, 2014) for Roberts County and RC Communications required by NDAC §69-09-05-12.1, and such Annual Report information is hereby incorporated by reference herein without waiving any trade secret or confidential status. Roberts County will continue to meet the obligations of an

ETC, as it has in the past through its subsidiary, RC Communications, and Roberts County Telephone Cooperative Association is a fit and proper ETC as has been previously demonstrated in its Annual Report filings with the Commission. At this time, no waiver of ETC criteria is requested and Roberts County Telephone Cooperative Association has met the ETC criteria, through its subsidiary and its own operations, continually since the service areas in question were designated for ETC services. The North Veblen, North Dakota Exchange Boundary Map describing the designated service area of RC Communications is filed at Case No. PU-13-239, and incorporated herein by reference.

5. NDAC § 69-09-05-12 requires ETC applicants to provide the following information, which information has also recently been filed on behalf of Roberts County and RC Communications in their 2014 ETC Annual Report (Case No PU- 14-666), for Roberts County and RC Communications (the "2014 Annual Report"), which 2014 Annual Report is incorporated herein by reference, as permitted under NDAC § 69-02-05-06, without waiving any trade secret or confidential status. More specifically, the regulatory requirements of Section 69-09-05-12 are provided as follows:

a. NDAC Section 69-09-05-12(3)(a): Reference is made to paragraphs 1 and 2 of the 2014 Annual Report.

b. NDAC Section 69-09-05-12(3)(b): Reference is made to Exhibit A Information of the 2014 Annual Report.

c. NDAC Section 69-09-05-12(3)(c): Reference is made to paragraph 3 of the 2014 Annual Report.

d. NDAC Section 69-09-05-12(3)(d): Reference is made to paragraph 4 of the 2014 Annual Report.

e. NDAC Section 69-09-05-12(3)(e): Reference is made to paragraph 5 of the 2014 Annual Report.

f. NDAC Section 69-09-05-12(3)(f): Reference is made to paragraph 6 of the 2014 Report.

g. NDAC Section 69-09-05-12(6): Reference is made to paragraph 7 of the 2014 Report.

6. NDAC Section 69-09-05-12.1 requires Eligible Telecommunications Carriers to file an annual report each year with the Commission, which Roberts County and RC Communications have filed as stated in paragraph 5 above, in the 2014 Annual Report. More specifically, the following information in the 2014 Annual Report is incorporated herein by reference without waiving any trade secret or confidential status:

a. NDAC Section 69-09-05-12.1(1): Reference is made to Exhibit A, paragraphs 1 through 3 of the 2014 Report.

b. NDAC Section 69-09-05-12.1(2): Reference is made to Exhibit A, paragraph 4 of the 2014 Report.

c. NDAC Section 69-09-05-12.1(3), (4): Reference is made to Exhibit A, paragraphs 5 and 6 of the 2014 Report.

d. NDAC Section 69-09-05-12.1(5): Reference is made to paragraph 4 of the 2014 Report.

e. NDAC Section 69-09-05-12.1(6): Reference is made to paragraph 3 of the 2014 Report.

f. NDAC Section 69-09-05-12.1(7): Reference is made to paragraph 5 of the 2014 Report.

g. NDAC Section 69-09-05-12.1(8): Reference is made to paragraph 6 of the 2014 Report.

7. Based on the foregoing track record of Roberts County providing necessary ETC services in the North Veblen, North Dakota Exchange designated in the pending application, Roberts County respectfully request the Commission's order approving the transfer of Certificate of Public Convenience and Necessity for this exchange and the request for expanded ETC status. Roberts County Telephone Cooperative Association has, and will continue to meet all the criteria for an ETC as established by the Federal Communications Act of 1996 and Section 214 and 254 thereof and the requirements of the Federal Communication Commission for ETC carriers.

FURTHER AFFIANT SAYETH NOT.


  
\_\_\_\_\_  
Scott Bostrom

STATE OF SOUTH DAKOTA

COUNTY OF Roberts

On this 7<sup>th</sup> day of August, 2014, before me, a Notary Public in and for said County and State, personally appeared Scott Bostrom, known to me to be the person described in and executed the within instrument and acknowledged to me that he executed the same.



  
\_\_\_\_\_  
Notary Public

My Commission Expires Oct. 27, 2016

# State of South Dakota



## OFFICE OF THE SECRETARY OF STATE

### Certificate of Fact

ORGANIZATIONAL ID #: PU000632

I, **Jason M. Gant**, Secretary of State of the State of South Dakota, do hereby certify that **ROBERTS COUNTY TELEPHONE COOPERATIVE ASSOCIATION** was filed with our office on **April 22, 1910** and is still on the active list and has not filed for dissolution with our office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this July 21, 2014.



Jason M. Gant  
Secretary of State

# State of South Dakota



## OFFICE OF THE SECRETARY OF STATE

### Certificate of Existence Domestic Corporation

ORGANIZATIONAL ID #: DB035058

I, **Jason M. Gant**, Secretary of State of the State of South Dakota, do hereby certify that **RC COMMUNICATIONS, INC.** was duly incorporated under the laws of this state on **December 6, 1994** for a **perpetual** term of existence.

I further certify that said corporation has complied with the laws of this State relative to the formation of corporations of its kind and is now a regularly and properly organized and existing corporation under the laws of this State and is in good standing, as shown by the records of this office. The annual report required by law has been filed with our office and articles of dissolution have not been filed. This certificate is not to be construed as an endorsement, recommendation or notice of approval of the corporation's financial condition or business activities and practices. Such information is not available from this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of South Dakota, in Pierre, the Capital City, this July 21, 2014.



**Jason M. Gant**  
Secretary of State

4. Consolidated Financial Statements of Roberts County as of December 31, 2013 and December 31, 2012 (the Financial Statements are included in a separate envelope marked 'trade secret' pursuant to the request for confidentiality)

# State of South Dakota



## OFFICE OF THE SECRETARY OF STATE

### Restated Domestic Public Utility

ORGANIZATIONAL ID: PU000632

I, **Jason Gant** Secretary of State of the State of South Dakota, hereby certify that the Restated Articles of

ROBERTS COUNTY TELEPHONE COOPERATIVE ASSOCIATION

duly signed and verified, have been received in this office and are found to conform to law.

**ACCORDINGLY**, and by virtue of the authority vested in me by law, I hereby issue this Restated and attach hereto a duplicate of the Restated Articles

IN TESTIMONY WHEREOF,  
I have hereunto set my hand and  
affixed the Great Seal of the  
State of South Dakota, at Pierre,  
the Capital, this 07/07/2014.



Jason M. Gant  
Secretary of State

RECEIVED

JUL 07 2014

S.D. SEC. OF STATE

Filed this 14th day of July 2014  
*John Gant*  
SECRETARY OF STATE

AMENDED AND RESTATED ARTICLES OF INCORPORATION  
OF  
ROBERTS COUNTY TELEPHONE COOPERATIVE ASSOCIATION

These Amended and Restated Articles of Incorporation of Roberts County Telephone Cooperative Association of New Effington, South Dakota (now known as "Roberts County Telephone Cooperative Association," referred to herein as the "Cooperative") have been approved and adopted in accordance with Section 47-15-15, South Dakota Cooperative Association Act, and supersede and replace in all respects the existing Restated Articles of Incorporation, as amended, of the Cooperative.

ARTICLE I

NAME

The name of this Cooperative shall be changed from "Roberts County Telephone Cooperative Association of New Effington, South Dakota," to "Roberts County Telephone Cooperative Association."

ARTICLE II

DURATION

The period of the Cooperative's duration is perpetual.

ARTICLE III

PURPOSE

The purpose for which this Cooperative is organized is:

(a) To furnish, improve and expand telephone service on a cooperative basis, including expanding telecommunication services and information services by the installation and use of new technologies as they presently exist or may hereafter be developed, and

(b) To do and transact any or all lawful business and engage in any activity for which cooperatives may be organized under the South Dakota Cooperative Association Act.

## ARTICLE IV

### POWERS

The Cooperative shall have and exercise all powers and rights conferred upon cooperatives by the South Dakota Cooperative Association Act and any enlargement of such powers conferred by subsequent legislative acts; and, in addition thereto, the Cooperative shall have and exercise all powers and rights, not otherwise denied cooperatives by the laws of the State of South Dakota, as are necessary, suitable, proper, convenient, or expedient to the attainment of the purposes set forth in Article III above.

## ARTICLE V

### MEMBERSHIP

The Cooperative is organized without capital stock and shall have no shares of authorized capital stock. The members of the Cooperative shall be comprised of those persons who shall (i) agree to purchase from the Cooperative telecommunications services as specified in the Bylaws, and (ii) agree to comply with and be bound by the Amended and Restated Articles of Incorporation and Bylaws of the Cooperative and any amendments thereto and such policies, rules and regulations as may from time to time be adopted by the Board of Directors. The Cooperative may have one or more classes of members as specified in the Bylaws. If the Cooperative has more than one class of members, the definitions, types, qualifications and rights of each class shall be determined by the Board of Directors and set forth in the Bylaws. Each member shall have only one vote in the affairs of the Cooperative.

## ARTICLE VI

### RIGHTS AND LIABILITIES OF MEMBERS

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. Upon dissolution, after (i) all debts and all liabilities of the Cooperative shall have been paid, and (ii) all capital furnished through patronage shall have been retired as provided in the Bylaws, the remaining property and assets of the Cooperative shall be distributed among the members and the former members in the proportions which the aggregate patronage of each member bears to the total patronage of all such members during the ten years next preceding the date of the filing of the certificate of dissolution, or if the Cooperative shall not have been in existence for such period, during the period of its existence unless otherwise provided by law.

## ARTICLE VII

### BOARD OF DIRECTORS

The affairs of the Cooperative shall be conducted by a Board of Directors which shall have and shall exercise all the powers of the Cooperative. Every director shall be a member individually and have such other qualifications as may be required in the Bylaws. The number of directors which shall constitute the Board of Directors shall be such as from time to time shall be fixed by, or in the manner provided in the Bylaws. Directors shall be elected by the members at the annual meeting and shall take office as provided from time to time by the Bylaws.

## ARTICLE VIII

### OFFICERS

The principal officers of the cooperative shall be a President, one or more Vice Presidents, Secretary, Treasurer, and such subordinate officers as may be appointed by the Board of Directors, who shall be chosen by the Board of Directors in such manner as may be provided from time to time in the Bylaws. Each officer, insofar as permissible under law, and as provided in the Bylaws or resolutions of the Board of Directors, shall be relieved of responsibility for exercise of authority or performance of duties incident to his or her office, the exercise or performance of which has been assigned to subordinate officers.

## ARTICLE IX

### INDEMNIFICATION OF DIRECTORS

The Cooperative shall indemnify each of its directors and former directors and any person who may have served at the request of the Cooperative as a director of another cooperative, corporation, partnership, joint venture, trust, or other enterprise to the full extent permitted under the South Dakota Cooperative Association Act. No amendment to or repeal of this Article shall apply to or have any effect on the right of a person entitled to indemnification hereunder to indemnification from the Cooperative for or with respect to any acts or omissions of such person occurring prior to such amendment or repeal.

## ARTICLE X

### BYLAWS

The initial Bylaws of the Cooperative have been adopted by the members. Thereafter, unless otherwise provided under the South Dakota Cooperative Association Act, Bylaws may be adopted, amended, or repealed either by the members or by the

Board of Directors at any regular or special meeting in accordance with the terms and conditions set forth in the Bylaws.

## ARTICLE XI

### MEETINGS OF MEMBERS

The time and place of the annual meeting of the members of the Cooperative shall be fixed from time to time in the Bylaws. Special meetings of the members may be called at such time and in such manner as may be provided from time to time in the Bylaws.

## ARTICLE XII

### COOPERATIVE'S PRINCIPAL OFFICE, REGISTERED OFFICE AND REGISTERED AGENT

The Cooperative's principal office shall be located at Main Street, Box 197, New Effington, South Dakota 57255. The address for the registered office of the Cooperative is 205 Main Street, Box 197, in the City of New Effington, County of Roberts, State of South Dakota 57255; and the name of its registered agent at such address is Scott Bostrom.

## ARTICLE XIII

### DIRECTOR LIABILITY

A director of the Cooperative shall not be personally liable to the Cooperative or its members or monetary damages for any action taken, or for any failure to take action as a director except for liability (i) for acts or omission not in good faith; (ii) for acts or omissions which involve intentional misconduct; (iii) for acts or omission which involve a knowing violation of law, (iv) for any violation of S D CODIFIED LAWS §§ 47-5-15 to 47-5-19; and (v) for any transaction from which the director derived an improper personal benefit.

No amendment to or repeal of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Cooperative for or with respect to any acts or omission of such director occurring prior to such amendment or repeal. If the South Dakota Business Corporation Act is hereafter amended to authorize the further elimination or limitation of liability of directors, then the liability of directors shall be eliminated or limited to the full extent authorized by the South Dakota Business Corporation Act as so amended.

The foregoing Restated Articles of Incorporation of the Cooperative correctly set forth the provisions of the Articles of the Cooperative as heretofore and hereby

amended, and have been duly adopted as required by law, and supersede the original Articles of Incorporation and amendments thereto and restatements thereof.

ROBERTS COUNTY TELEPHONE COOPERATIVE  
ASSOCIATION

By: Robert Meyer  
Robert Meyer, President

By: Keith Bostrom  
Keith Bostrom, Secretary



# Secretary of State

Jason M. Gant

State Capitol | 500 E. Capitol Ave. | Pierre, South Dakota 57501 | sdsos@state.sd.us | sdsos.gov

Return To: BAIRD HOLM LLP STEPHANIE A MATTOON  
1700 FARNAM ST STE 1500  
OMAHA, NE 68102-2068

From: Secretary of State Jason M. Gant  
Corporations Division

Filing Date: 07/07/2014

Re: ROBERTS COUNTY TELEPHONE COOPERATIVE ASSOCIATION (PU000632)  
Restated Articles

The documents on behalf of ROBERTS COUNTY TELEPHONE COOPERATIVE ASSOCIATION have been received and filed. Attached is the Certificate along with a receipt for the filing fee of \$60.00. Below is a summary of the transaction.

Remitter	Address	Amount Paid
BAIRD HOLM LLP STEPHANIE A MATTOON	1700 FARNAM ST STE 1500 OMAHA, NE 68102-2068	\$60.00
Total:		\$60.00

Description	Invoice Date	Qty	Receipt #	Subtotal
Restated Articles	07/17/2014	1	217489	\$60.00
Total:				\$60.00



## AGREEMENT AND PLAN OF MERGER – RC COMMUNICATIONS

This AGREEMENT AND PLAN OF MERGER ("**Plan of Merger**") dated as of May 1, 2014, by and between Roberts County Telephone Cooperative Association of New Effington, South Dakota ("**Roberts County**"), a South Dakota cooperative association and RC Communications, Inc., a South Dakota corporation ("**RC Communications**").

### Recitals

WHEREAS, the Board of Directors of Roberts County and RC Communications deem it desirable and in the best interests of such companies that RC Communications merge with and into Roberts County in accordance with Section 47-18-5.1, South Dakota Cooperative Association Act, and upon the terms and subject to the conditions set forth in this Plan of Merger;

NOW, THEREFORE, in consideration of the mutual covenants, undertakings, and agreements contained herein, the parties do hereby adopt this Plan of Merger and do hereby agree as follows.

### I. THE MERGER

**1.01 The Merger.** Upon the terms and subject to the conditions set forth in this Plan of Merger and the applicable provisions of the South Dakota Cooperative Association Act, at the Effective Time, RC Communications shall be merged with and into Roberts County (the "**Merger**"), the separate existence of RC Communications shall thereupon cease and Roberts County shall continue as the surviving cooperative association of the Merger (sometimes referred to hereinafter as the "**Surviving Company**").

**1.02 The Effective Time.** Upon the terms and subject to the conditions set forth in the Plan of Merger, Roberts County and RC Communications shall cause the Merger to be consummated under the South Dakota Cooperative Associations Act by filing articles of merger in customary form and substance (the "**Articles of Merger**") with the Secretary of State of the State of South Dakota (the "**South Dakota Secretary of State**"), together with any other documents required by law to effectuate the Merger. The Articles of Merger shall provide that the Merger shall become effective as of 11:59 p.m., December 31, 2014 (the "**Effective Time**") following the filing and recording in the office of the Secretary of State of South Dakota properly executed Articles of Merger. Such filing and recording of the Articles of Merger shall be made as soon as practicable following the fulfillment of the conditions of Section 2.01 of this Plan of Merger.

**1.03 Effect of the Merger.** At the Effective Time, the effect of the Merger shall be as provided in this Plan of Merger and the applicable provisions of the South Dakota Cooperative Association Act. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all of the property, rights, privileges, powers and franchises of RC Communications shall become the debts, liabilities and duties of the Roberts County as the Surviving Company.

**1.04 Articles of Incorporation and Bylaws of Surviving Company.** In accordance with Section 47-18-5, South Dakota Cooperative Association Act, at the Effective Time, the Articles of Incorporation of Roberts County as in effect at the Effective Time shall continue in full force and effect as the Articles of Incorporation of the Surviving Company, until thereafter amended in accordance with law. At the Effective Time, the Bylaws of Roberts County shall be amended as set forth as Exhibit A to this Plan of Merger, and incorporated herein by reference and shall continue in full force and effect as the Bylaws of the Surviving Company until thereafter amended in accordance with applicable provisions of the South Dakota Cooperative Association Act, the Articles of Incorporation of the Surviving Company and such Bylaws.

**1.05. Cancellation of RC Communications Shares.** Upon the terms and subject to the conditions set forth in this Plan of Merger, at the Effective Time, by virtue of the Merger, all shares held by the Roberts County in RC Communications outstanding immediately prior to the Effective Time shall thereupon be cancelled, retired and cease to exist without any conversion thereof, and no payment shall be made with respect thereto.

**1.06 Board of Directors and Officers.** At the Effective Time, the Board of Directors of Roberts County immediately prior to the Effective Time shall continue as the Board of Directors of Roberts County as the Surviving Company, and at the Effective Time, the officers of Roberts County immediately prior to the Effective Time shall continue as the officers of Roberts County as the Surviving Company, and such directors and officers shall hold office in accordance with the Roberts County Articles of Incorporation, Bylaws and applicable law.

**1.07 Effect of Merger; Further Action.** If, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Plan of Merger and to vest the Surviving Company with full right, title and possession to all assets, property, rights, privileged, powers and franchise of RC Communications, the Board of Directors and officers of Roberts County as the Surviving Company shall take all such lawful and necessary action on behalf of RC Communications.

## **II. CONDITIONS, TERMINATION, AMENDMENT AND WAIVER**

**2.01 Conditions.** Consummation of the Merger and the transactions contemplated thereby shall be subject to the following conditions:

(a) *Approval by Roberts County Members in accordance with South Dakota Cooperative Association Act.* The Plan of Merger shall have been approved in all respects by the requisite approval of the members of Roberts County in accordance with Section 47-15-8 of the South Dakota Cooperative Association Act;

(b) *Approval by Regulatory Authorities.* Any state or federal approval required under applicable state and federal laws and regulations, including approval, if any, by South Dakota Public Utilities Commission, North Dakota Public Service Commission, and Federal Communications Commission;

(c) *Receipt of Third Party Consents.* All third party consents and approvals required under agreements entered into by the parties hereto or their subsidiaries or affiliates as a result of the Merger shall have been received or waived in form and substance satisfactory to each of Roberts County and RC Communications; and

(d) *No Restraints.* No court of competent jurisdiction or other competent governmental authority shall have enacted, issued, promulgated, enforced or entered any law or order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making illegal or otherwise restricting, preventing or prohibiting consummation of the Merger or the other transactions contemplated by this Plan of Merger.

**2.02 Termination.** This Plan of Merger may be terminated at any time prior to the Effective Time whether before or after requisite member approval:

(a) By mutual written consent of the parties hereto; or

(b) By any party hereto if any event shall have occurred which renders the conditions set forth in Section 2.01 of this Plan of Merger incapable of fulfillment.

**2.03 Effect of Termination.** In the event of termination of this Plan of Merger as provided in Section 2.02 above, this Plan of Merger shall forthwith become void and there shall be no liability on the part of any party hereto or their respective officers, directors, managers or members with respect to this Plan of Merger.

**2.04 Amendment.** This Plan of Merger may be amended by the parties hereto by action taken by their respective Board of Directors or other duly authorized officer at any time, by an instrument in writing signed on behalf of each of the parties hereto.

**2.05 Waiver.** Any term or provision of this Plan of Merger (other than requirements for board of director and member approvals) may be waived in writing at any time by the party which is, or whose members are, entitled to the benefits thereof.

### **III. REPRESENTATIONS AND WARRANTIES**

**3.01. Organization and Standing.** Each of Roberts County and RC Communications represents and warrants to the other party hereto that such party is a cooperative association and corporation, respectively, duly organized, validly existing and in good standing under the laws of the State of South Dakota and has full corporate power and authority to conduct its business as and to the extent now conducted and to own, use and lease its assets and properties.

**3.02. Authorization.** Each of Roberts County and RC Communications represents and warrants to the other party hereto that: (a) the execution and delivery of this Plan of Merger has been approved by its Board of Directors in accordance with such party's Articles of Incorporation, Bylaws and applicable South Dakota law and no additional corporate proceedings on the part of such entity is necessary to authorize this Plan of Merger or the consummation of the transactions contemplated hereby, except for approval by the members of Roberts County; (b) such company has all requisite power and authority to execute and deliver this Plan of

Merger and to consummate the transactions contemplated hereby and to perform its obligations hereunder; and (c) this Plan of Merger has been duly executed and delivered by such entity constitutes a legal, valid and binding obligation of such entity, enforceable against such entity in accordance with the terms hereof, except as such enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting or relating to creditors' rights generally and subject to general principles of equity.

#### IV. GENERAL PROVISIONS

**4.01 No Assignment; Binding Effect.** Neither this Plan of Merger nor any right, interest or obligation hereunder may be assigned by any party hereto without the prior written consent of the other parties hereto and any attempt to do so will be void. Subject to the preceding sentence, this Plan of Merger is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and assigns.

**4.02 No Third Party Beneficiary.** The terms and provisions of this Plan of Merger are intended solely for the benefit of each party hereto and their respective successors or permitted assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person.

**4.03 Governing Law.** This Plan of Merger shall be governed by and construed in accordance with the laws of the State of South Dakota applicable to a contract executed and performed in such State, without giving effect to the conflicts of laws principles thereof.

IN WITNESS WHEREOF, each of the parties hereto has caused this Plan of Merger to be signed by its duly authorized officer or manager, as of the date first above written.

**Roberts County Telephone Cooperative  
Association of New Effington, South Dakota,**  
a South Dakota cooperative association

By: /s/ Robert N. Meyer  
Robert N. Meyer, President

**RC Communications, Inc.,**  
a South Dakota corporation

By: /s/ William F. Koeppe  
William F. Koeppe, President

## Exhibit A

At the Effective Time of the Merger, Section 1.2 of the Amended and Restated Bylaws of Roberts County Telephone Cooperative Association shall be further amended to read as follows in its entirety (new language is underlined):

"Section 1.2. Definition and Classifications.

- (a) The following qualifications must be met to be eligible for membership in the Cooperative: Procuring telecommunications services through the Cooperative's central office by means of either dial tone or broadband through one of the following exchanges of the Cooperative ("Services") for a minimum of twelve (12) months:

New Effington Exchange  
Claire City Exchange  
Veblen Exchange  
Wilmot Exchange  
Peever Exchange  
Summit Exchange

The Board shall have the discretion to determine under rules of general application the types and amounts of revenue streams and the types and amounts of patronage that give rise to the privileges and obligations of patrons and membership, and to establish policies consistent with the Bylaws regarding membership qualifications and termination.

- (b) The Cooperative may have one or more classes of members to accommodate the various types of services. If the Cooperative has more than one class of membership, the definitions, the types, the qualifications and rights of each class shall be determined by the Board and set forth in these Bylaws.
- (c) 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.
- (d) Each time sharing or interval ownership premise is considered as a single corporate member. The corporation holding the seasonal, recreational and short-interval rental properties will be deemed to hold the membership.

No member may hold more than one membership of each class in the Cooperative. No membership in the Cooperative shall be transferable, except on the books of the Cooperative and as provided for in these Bylaws."

All other provisions of the Cooperative's Bylaws shall remain in full force and effect.