

CUSTER TELEPHONE COOPERATIVE, INC.

MEMBERSHIP POLICY

1. GOALS AND OBJECTIVES

- 1.1 To state the general policy of Custer Telephone Cooperative, Inc. (“Custer”) for changing types of membership, and determining the owners of membership accounts.
- 1.2 Custer operates on a cooperative basis for the mutual benefit of all its members. Members are entitled to receive capital credits based upon their membership in accordance with Custer’s Capital Credit Policy. The goal of Custer is to be fair and reasonable to its members and former members, while providing Custer with sufficient certainty as to the rightful owner of any capital credits based upon membership.

2. TYPES OF MEMBERSHIP

Custer has several types of memberships: Individual, Joint and Business. Custer acknowledges that memberships may change over the course of years as individual members may become joint members and joint members may become individual members. This policy will guide members in determining when to open a joint or individual membership and how to change such memberships on the books and records of Custer.

2.1 Individual Membership.

An individual membership will have a single owner. All capital credits allocated to that individual membership will be paid to the individual named on the account.

2.2 Joint Membership.

A joint membership is available to married couples and will have two owners named on the account. All capital credits allocated to joint membership shall be allocated 50% for each owner unless otherwise directed in writing to Custer at the time the account is opened. Any changes to the allocation after the account is opened will require the signature of both owners.

2.3 Business Membership.

A business membership is open to any business organization. All capital credits allocated to the business membership will be made payable to the business organization and delivered to the presiding officer of the business organization as shown on the annual report filed with the Idaho Secretary of State or in such resolutions as provided to Custer by the business organization.

3. CHANGES TO TYPES OF MEMBERSHIP

3.1 Conversion of Individual Membership to Joint Membership.

Upon request by any individual member to convert an individual account to a joint membership [OPTION 1: Custer will close the individual account preserving all capital credits earned in the name of the individual owner, and open a joint account in the names of the joint owners with all capital credits allocated 50% to each joint owner] or [OPTION 2: Custer will add the name of the additional joint owner and all capital credits earned in the individual account will be transferred to the joint account and allocated 50% to each joint owner]. Each joint owner shall be required to sign the membership application and acknowledge the option selected hereunder.

3.2 Termination of Joint Membership; Conversion to Individual Memberships.

A request to terminate a joint membership, shall be accompanied by one of the forms attached hereto as Exhibit A. If a joint membership is terminated for reasons other than the death of one of the joint members and no such form is provided, all capital credits allocated to the joint account shall be allocated 50% to each individual owner following such termination. If a joint membership is terminated due to the death of one of the joint members, upon providing notice of the death to Custer on the form attached hereto as Exhibit A, along with a copy of the death certificate, the joint membership shall be converted to an individual membership and all capital credits allocated to the joint account shall be retained in the individual account.

EXHIBIT A
Forms for Termination of Joint Membership
[attached]

**MUTUAL JOINT MEMBERSHIP TERMINATION
AND SEPARATION OF CAPITAL CREDITS
FOR
REASONS OTHER THAN DEATH OF A MEMBER**

We _____ and _____, desire to terminate our joint membership in Custer Telephone Cooperative, Inc. (Joint Membership # _____). We would like to divide the earned patronage as follows:

Member _____ shall retain ___% to be applied to a new individual membership # _____; and

Member _____ shall retain ___% to be applied to a new individual membership # _____.

The earned patronage being divided is for the years of _____ through _____.

(Signature)

(Signature)

STATE OF _____)

County of _____) ss

On this _____ day of _____, 20__, before me, the undersigned Notary Public in and for said State, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Notary Public for _____
Residing at: _____
My commission expires: _____

STATE OF _____)

County of _____) ss

On this _____ day of _____, 20__, before me, the undersigned Notary Public in and for said State, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Notary Public for _____
Residing at: _____
My commission expires: _____

**JOINT MEMBERSHIP TERMINATION
AND SEPARATION OF CAPITAL CREDITS
FOR
REASONS OTHER THAN DEATH OF A MEMBER**

I, _____, desire to terminate my joint membership in Custer Telephone Cooperative, Inc. with _____ (Joint Membership # _____). I would like to divide the earned patronage as set forth in the attached document:

- ___ Divorce Decree;
- ___ Court Order
- ___ Other _____

Apply my percentage to a new individual membership # _____.

The earned patronage being divided is for the years of _____ through _____.

(Signature)

Date: _____

STATE OF _____)

County of _____) ss

On this _____ day of _____, 20___, before me, the undersigned Notary Public in and for said State, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Notary Public for _____
Residing at: _____
My commission expires: _____

**JOINT MEMBERSHIP TERMINATION
AND RETENTION OF CAPITAL CREDITS
DUE TO DEATH OF A MEMBER**

I, _____, desire to notify Custer Telephone Cooperative that my joint membership in Custer Telephone Cooperative, Inc. shall be converted to an individual membership due to the death of joint member _____ (Joint Membership # _____). I understand that all earned patronage from the joint membership shall be retained in the new individual account. A copy of the death certificate is attached.

(Signature)

Date: _____

STATE OF _____)

County of _____) ss

On this _____ day of _____, 20__, before me, the undersigned Notary Public in and for said State, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year in this certificate first above written.

Notary Public for _____
Residing at: _____
My commission expires: _____