

BY-LAWS
OF THE
ISPFH COOP

As Adopted March 6, 1999

and Amended May 5, 2006

ARTICLE 1 – NAME AND PURPOSE

1.1 Identification. This Not for Profit Corporation, “ISPFH COOP” shall be referred to herein as the Coop.

1.2 Purpose. The purposes and powers of the coop shall be those authorized by Section 103.05(26) of the Illinois General Not For Profit Corporation Act of 1986 (As Amended), namely the administration and operation of an organization on a cooperative basis producing or furnishing goods, services or facilities primarily for the benefit of its Members who are consumers of those goods, services or facilities. Without limiting the generality of the foregoing purposes and powers, the objective of the Coop shall be to cost-effectively secure quality IP transit to the Internet for Individual Members and to provide minimal-services IP-transit co-location service to selected Associate Members.

ARTICLE 2 – OFFICES

2.1 Offices. The Coop’s offices shall be located in the City of Chicago, County of Cook, State of Illinois. The corporation may have such other offices, either within or without the State of Illinois as the Board may designate or as the business of the corporation may from time to time require.

ARTICLE 3 – MEMBERSHIP

3.1 Classes of Members. There shall be two classes of Coop Members: (1) Individual Members and (2) Associate Members. (The two classes are collectively referenced herein as the “Members”.)

3.2 Eligibility for Membership. Any individual, corporation or entity that abides by the Coop Membership Agreement and Acceptable Use Policy, and whose activities are not contrary to the interests of the Coop may be accepted into membership by the Board on terms established by the Board. Only persons that are individuals may be accepted as Individual Members. Corporations or entities may only be accepted as Associate Members. Membership eligibility is contingent upon payment of the dues and fees as established by the Board. Payment of such dues and fees is a condition precedent to membership in the Coop. No services shall be provided to nonmembers.

3.3 Membership Agreement. All Members shall sign and abide by the Coop’s Membership Agreement, the terms of which shall be set out by the Board and shall incorporate the Acceptable Use Policy promulgated by the TOC and approved by the Board as set forth in Section 5.13 of these Bylaws. The membership terms and acceptable use policy shall be posted on the Coop’s website and maintained there so as to remain current.

3.4 Individual Members Not to Re-Sell Connectivity. Individual Members shall not resell the use of their Coop provided Internet connection, or use their connection in such a way so as to derive revenue or gain solely from the transport of data over their connection. An individual wishing to resell connectivity may join as an Associate Member.

3.5 Termination of Membership. The Board by affirmative vote of two thirds of all of the members of the Board may suspend or expel a Member for cause after an appropriate hearing, and may, by a majority vote of those present at any regularly constituted meeting, terminate the membership of any Member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues and fees, if any.

3.6 Resignation. Any Member may resign by filing a written resignation with the Secretary-Treasurer, but such resignation shall not relieve the Member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid.

3.7 Reinstatement. Upon written request signed by a former Member and filed with the Secretary-Treasurer, the Board may, by the affirmative vote of two thirds of the members of the Board, reinstate such former Member to membership on such terms as the Board may deem appropriate.

3.8 Membership Records. The Secretary-Treasurer of the Coop shall ensure that a complete list of the names and addresses of all Members is kept. Each Member shall notify the Coop as soon as possible of any change of address. Until the Secretary-Treasurer receives such notice from the Member, the Coop may treat the name and address appearing on the Coop's list as correct for purposes of giving notices and for all other purposes.

3.9 Property Rights. The Members shall have not have any property rights in the Coop.

3.10 Transfer and Assignment of Membership. Memberships rights can not be assigned or transferred. The Coop shall be entitled to treat any Member of record as the Member in fact, and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such membership on the part of any other person whether or not it shall have express or other notice thereof, except as expressly provided by the laws of this State.

3.11 No Membership Certificates. No membership certificates of the corporation shall be required.

ARTICLE 4 – MEETING OF MEMBERS

4.1 Annual Meeting. The annual meeting of the Members shall be held in such date and at such time as the Board shall determine each year for the purpose of electing directors or for the transaction of such other business as may come before the meeting

4.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board, and shall be called by the President at the request of not less than the lesser of 50 (fifty) percent of the Members or 10 (ten) Members.

4.3 Place of Meeting. The Board may designate any place within the County of Cook in the State of Illinois, unless otherwise prescribed by statute, as the place of meeting for any annual meeting or for any special meeting called by the Board. A waiver of notice signed by all directors may designate any place, either within or without the State unless otherwise prescribed by statute, as the place for holding such meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Coop.

4.4 Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than forty days before the date of the meeting, either personally, by electronic mail transmission, or by postal mail, by or at the direction of the President, or the Secretary, or the Officer or persons calling the meeting, to each Individual Member of record entitled to vote at such meeting, and to each Associate Member. If postal mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at the Member's address as it appears on the books of the Coop, with postage thereon pre-paid.

4.5 Voting Rights. All Members shall be entitled to vote. Each Member shall be entitled to one vote (regardless of the level of service to which the member subscribes), in person on any issue that is put to a vote of the membership. Any Individual Member whose dues and fees at the time of vote are not paid 90 days after their due date forfeits all rights and cannot vote and shall not be considered in determining the number of Members.

4.6 Voting By Ballot. Voting on any question or in any election may be by voice. Upon the demand of any Member, the vote for directors, and upon any question before the meeting, shall be by ballot. All elections for directors shall be by plurality vote and not by cumulative vote. In the event that more than one director is to be elected, the candidates receiving the most votes shall be elected. In the event that there are an insufficient number of candidates elected or in the event of a tie, a further vote shall be taken to fill the vacancy or to break the tie.

4.7 Fixing of Record Date. The Board may fix in advance a date as the record date for determination of Members entitled to notice of or to vote at any meeting of Members, such date in any case to be not more than ten days and, in case of a meeting of Members, not less than ten days prior to the date on which the particular action requiring such determination of Members is to be taken. If no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date on which notice of the meeting is transmitted, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section, such determination shall apply to any adjournment thereof.

4.8 Voting Lists. The officer or agent having charge of the membership books of the Coop shall make, at least ten days before each meeting of Members, a complete list of the Members entitled to vote at such meeting, or any adjournment thereof, arranged in alphabetical order, with the address of each, which list, for a period of ten days prior to such meeting, shall be kept on file at the principal office of the Coop and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and

place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The original membership books shall be prima facie evidence as to who are the Members entitled to examine such list or vote at the meeting of Members.

4.9 Quorum. At any meeting of Members 50 (fifty) percent of the Members or 10 (ten) Members present in person, whichever is less, shall constitute a quorum. If less than said number of Members are represented at a meeting, a majority of the Members so present may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

4.10 Proxies. No voting by proxy is allowed.

4.11 Informal Action By Members. Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other action which may be taken at a meeting of the Members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof. Said written consent may be in the form of electronic mail transmission directed to and received by the Secretary-Treasurer of the Coop.

ARTICLE 5 - BOARD OF DIRECTORS

5.1 General Powers. The business and affairs of the Coop shall be managed by its Board of Directors (the "Board"). The Board shall in all cases act as a board, and they may adopt such rules and regulations for the conduct of their meetings and the management of the Coop as they may deem proper, not inconsistent with these by-laws and the laws of this State.

5.2 Number, Tenure and Qualifications. Directors must be Individual Members. The number of directors of the Coop shall be either three, five or seven. The number of directors may be changed from time to time by the Board without further amendment to these Bylaws so long as the result is that there are either three, five or seven directors. Each director shall serve for a one year term with elections to be held every year. Each director shall hold office until the first annual meeting of Members after his or her election and until the director's successor shall have been elected and qualified.

5.3 Regular Meetings. A regular meeting of the Board shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of Members. The Board may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

5.4 Special Meetings. Special meetings of the Board may be called by or at the request of the President or any two directors. The person or persons authorized to call special meetings of the Board may fix the place for holding any special meeting of the Board called by them.

5.5 Notice. Notice of any special meeting shall be given at least five days previously thereto

by written notice delivered personally, by electronic mail transmission, by telegram or by postal mail to each director at his business address. If postal mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

5.6 Quorum. At any meeting of the Board a majority shall constitute a quorum for the transaction of business, but if less than said number is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

5.7 Manner of Acting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except a majority of the Board is necessary for the execution and delivery of mortgages or deeds of trust upon, or the pledging of or encumbering of any or all of the property, assets, licenses, franchises, and permits or other things of value of the Coop, whether acquired or to be acquired and wherever situated, as well as any revenues and incomes therefrom, all upon such terms and conditions as the Board determines, to secure any indebtedness of the Coop.

An act of all of the directors voting by teleconference or electronic mail shall be the act of the Board. Such vote shall be recorded in the minutes of the next regular or special meeting. Any dissent in such vote shall defer the matter to the next regular or special meeting.

5.8 Newly Created Directorships and Vacancies. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board for any reason except the removal of directors may be filled by a vote of a majority of the directors then in office, although less than a quorum exists. Vacancies occurring by reason of the removal of directors shall be filled by vote of the Members. A director elected to fill a vacancy caused by resignation, death or removal shall be elected to hold office for the unexpired term of his predecessor.

5.9 Removal of Directors. Any or all of the directors may be removed by vote of two-thirds of the Members.

5.10 Resignation of Directors. A director may resign at any time by giving written or electronic mail notice to all the members of the Board of the Coop. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board, and the acceptance of the resignation shall not be necessary to make it effective.

5.11 Compensation. No compensation shall be paid to directors, as such, for their services, but by resolution of the Board a fixed sum and expenses for actual attendance at each regular or special meeting of the Board may be authorized. Nothing herein contained shall be construed to preclude any director from serving the Coop in any other capacity and receiving compensation therefor.

5.12 Presumption of Assent. A director of the Coop who is present at the meeting of the Board

at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless s/he shall file her/his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Coop immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

5.13 Technical Operations, Executive and Other Committees. The Board shall at the annual meeting appoint a Technical Operations Committee (“TOC”) of no less than three Members. All membership initial service connections and service connection changes shall be subject to approval by the TOC. The TOC has authority to suspend Coop service to any Member whose service connection adversely interferes with the service of other Members or the Coop or Internet. A Member's service may be reinstated if so approved, after review, by the TOC.

The TOC shall promulgate an Acceptable Use Policy which shall be presented to and approved by the Board for incorporation as part of the Coop’s Membership Agreement. The TOC may, from time to time, change the terms of the Acceptable Use Policy and present such changed policy to the Board for approval. The terms of the Acceptable Use Policy shall be available to Members on the Coop’s web site.

The Board, by resolution, may designate from among its members an executive committee and from its members and/or the Members of the Coop other committees, each consisting of three or more Members.

Pursuant to 805 ILCS 108.40(a), each committee appointed by the Board, including the TOC, shall have two or more directors, a majority of its membership shall be directors, and all committee members shall serve at the pleasure of the Board.

5.14 Annual Report. The Board shall be responsible for filing, as required by statute, the annual report in the office of the secretary of state.

ARTICLE 6 – OFFICERS

6.1 Number. The officers of the Coop shall be a President, a Vice-President and a Secretary-Treasurer, each of whom shall be a director and shall be elected to his or her position by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board.

6.2 Election and Term of Office. The officers of the Coop to be elected by the Board shall be elected annually at the first meeting of the Board held after each annual meeting of the Members. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until s/he shall resign or shall have been removed in the manner hereinafter provided.

6.3 Removal. Any officer elected or appointed by the Board may be removed by the Board whenever in their judgment the best interests of the Coop would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

6.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

6.5 President. The President shall be the principal executive officer of the Coop and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Coop. S/he shall, when present, preside at all meetings of the Members and of the Board. S/he may sign, with the secretary-treasurer or any other proper officer of the Coop thereunto authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these by-laws to some other officer or agent of the Coop, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

6.6 Vice-President. In the absence of the President or in the event of his death, 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 perform such other duties as from time to time may be assigned to him by the President or the Board.

6.7 Secretary-Treasurer. The Secretary-Treasurer shall keep the minutes of the Members' and of the Board's meetings in one or more books provided for that purpose, see that all notices are duly given in accordance with the provisions of these by-laws or as required, be custodian of records of the Coop and keep a register of the post office address of each Member which shall be furnished to the Secretary-Treasurer by such Member, have general charge of the certificate of membership books of the Coop and in general perform all duties incident to the office of Secretary-Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board.

If required by the Board, the Secretary-Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. S/he shall have charge and custody of and be responsible for all funds and securities of the Coop; receive and give receipts for moneys due and payable to the Coop from any source whatsoever, and deposit all such moneys in the name of the Coop in such banks, trust companies or other depositories as shall be selected in accordance with these by-laws and in general perform all of the duties incident to the office of Secretary-Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board.

ARTICLE 7 –LEFT BLANK by AMENDMENT

ARTICLE 8 - CONTRACTS. LOANS. CHECKS AND DEPOSITS

8.1 Contracts. The Board, after approval as above set forth, may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Coop, and such authority may be general or confined to specific instances.

8.2 Loans. No loans shall be contracted on behalf of the Coop and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

8.3 Checks, Draft, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Coop shall be signed by such officer or officers, agent or agents of the Coop and in such manner as shall from time to time be determined by resolution of the Board.

8.4 Deposits. All funds of the Coop not otherwise employed shall be deposited from time to time to the credit of the Coop in such banks, trust companies or other depositories as the Board may select.

ARTICLE 9 - DISTRIBUTION OF NET SAVINGS

9.1 Net Savings. The Board shall at the end of each fiscal year provide for the distribution of the Coop's net excess operating revenues remaining after expenses have been met, according to the method set forth in this Article 9. of the Bylaws of the Coop.

9.2 General Surplus Reserve. The Board shall first allocate from such net savings to the Coop's general surplus reserve such amount as it shall determine to be necessary or appropriate, but in no event exceeding six (6) months' operating expenses. The general surplus reserve shall be used to absorb operating deficits, losses, purchase equipment necessary to the continued provision of services, and to cover unanticipated costs or expenses. The general surplus reserve shall become the indivisible property of the Coop as a whole.

9.3 Patronage Refunds. The remainder of the net savings shall be distributed to the Members as patronage refunds in proportion to their respective percentages of patronage of the Coop (in proportion to the amount of business each member has done with the Coop for the preceding twelve (12) months, minus any deficit owed by the member); provided, however, that these patronage refunds may be immediately paid in cash, or in certificates of indebtedness, or may be placed in a revolving fund upon the books of the Coop to the credit of the Members, to be paid at some future date at the discretion of the Board.

ARTICLE 10 - FISCAL YEAR

The fiscal year of the Coop shall be fixed by resolution of the Board.

ARTICLE 11 - WAIVER OF NOTICE

Unless otherwise provided by law, whenever any notice is required to be given to any

Member or director of the Coop under the provisions of these by-laws or under the provisions of the articles of incorporation, a waiver thereof in writing, signed by the person or persons entitled to such notices whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE 12 - AMENDMENTS

These by-laws may be altered, amended or repealed and new by-laws may be adopted by a vote of a majority of all the Members, at any annual members' meeting or at any special members' meeting when the proposed amendment has been set out in the notice of such meeting.

ARTICLE 13 – MISCELLANEOUS

13.1 Voting by Mail. Voting by electronic ballot, including by electronic mail transmission, or by postal mail is allowed if approved by the Board.

13.2 Telephone and Electronic Board Meetings. The Board may meet by telephone conference or electronically if approved by the Board.

13.3 Notice By Electronic Mail. The Coop may give any notice required herein by electronic mail and such notice shall be considered delivered when submitted for electronic mail delivery to the electronic mail address of the Member which is of record with the Coop. It shall be the responsibility of the Member to furnish the Member's current email address to the Coop.

ARTICLE 14 - INDEMNIFICATION

The Coop shall indemnify, defend, and hold harmless each officer and director of the Coop to the full extent of the law from and against all costs, losses, expenses, and claims incurred by such person because the person is or was a director or officer of the Coop provided such person conducted himself or herself in good faith, the person reasonably believed that his or her conduct was in the Coop's best interests, in the case of conduct in such person's official capacity, or in all other cases, his or her conduct was at least not opposed to the Coop's best interests, and in the case of any criminal proceeding, the person had no reasonable cause to believe that his or her conduct was unlawful.

ARTICLE 15 – DUES AND FEES

15.1 Dues and Fees. The Board may determine from time to time the amount of initiation fee, if any, the amount of monthly or annual dues payable to the Coop by members of each class, and any other fees and charges to be levied upon the membership.

15.2 Payment of Dues and Fees. Dues shall be payable in advance on the first day of the period to which they pertain.

ARTICLE 16 – BOOKS AND RECORDS

The Coop shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its Members, Board, and committees having any of the authority

of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Coop may be inspected by any Member, or his or her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE 17 –SUBORDINATION OF CAPITAL UPON DISSOLUTION

Neither interest nor dividends shall be paid on invested capital. Upon dissolution of the Coop, neither the amount of patronage nor the amount of investment of a Member shall determine such Member's degree of ownership in the organization. Upon dissolution, the Coop, all assets shall be liquidated, and distributed *per capita* among all the members in equal amounts; provided, however, that any Members whose initial capital investment (membership fees) are not fully paid to the Coop, shall have the deficit offset against their liquidated capital payment.