

BY-LAWS
OF
DOWNEAST BROADBAND UTILITY
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ARTICLE I

Name, Location and Corporate Seal

Section 1.1 Name. The name of this Corporation shall be Downeast Broadband Utility (the “Corporation”), and it shall be located in the City of Calais, County of Washington, State of Maine.

Section 1.2 Seal. The corporate seal shall be the common wafer seal unless otherwise determined by the Board of Directors.

ARTICLE II

Purpose and Powers

Section 2.1 Purpose. The purposes of this Corporation shall be as set forth in the Articles of Incorporation, as the same may be amended from time to time, which purposes shall include empowering its member municipalities to make the most efficient use of their powers by enabling them to cooperate to provide for community needs by developing, fostering, financing and otherwise supporting and/or promoting the provision of broadband and internet services to the member communities of the Corporation.

Section 2.2 Powers. This Corporation shall have all the powers, rights and duties

normally incident to such corporations and all other rights granted to corporations organized under the Maine Nonprofit Corporation Act and Section 2203(8) of Title 30-A of the Maine Revised Statutes, and in particular the Corporation shall have the power to issue revenue bonds and to promote and facilitate the issuance of bonds by other entities to further those purposes, and the Corporation shall also have the power to acquire, lease and/or sell property in furtherance of its purposes.

ARTICLE III

Membership

Section 3.1 Members. The Corporation shall have one class of Members, consisting initially of the City of Calais, Maine and the Town of Baileyville, Maine. Only Maine municipalities shall be eligible to be appointed as Members of the Corporation. Members shall have the power to appoint and remove members of the Board of Directors of the Corporation as provided in these By-laws, to call meetings of the Board of Directors, to amend the By-laws, and to approve the dissolution of the Corporation.

Section 3.2 Qualification, Term and Removal. Members shall serve until the earlier of their resignation or removal. A Member may only be removed from office upon the unanimous written consent of all other Members then serving. New Members may be admitted by unanimous consent of the Board of Directors then serving, provided that at the same time they become Members they execute and become parties to the Downeast Broadband Utility Interlocal Agreement (the "Interlocal Agreement").

Section 3.3 Meetings. Special meetings of the Members may be called by any two Members, but the Members must have at least one annual meeting, to be held in March of each year.

Section 3.4 Notice. Notice of any regular meeting of the Members shall be given at least ten (10) business days prior thereto and notice of any special meeting of the Members shall be given at least five (5) business days prior thereto by written notice, such written notices to be delivered personally or sent by mail, electronic mail, or fax to each Member at his or her address as shown on the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except when a Member attends the meeting for the express purpose of objecting to the transaction of any business because a meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Members need be specified in the notice or waiver of notice of such meeting, unless the applicable provisions of the Maine Nonprofit Corporation Act so require.

Section 3.5 Quorum. A majority of the Members shall constitute a quorum for the transaction of business at any meeting of the Members.

Section 3.6 Action of Members by Unanimous Written Consent. Any action which may be taken or which may be required by Maine law to be taken at a meeting of the Members may be taken without a meeting if all the Members sign a written consent

setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the Members' meetings and shall have the same effect as a unanimous vote of the Members.

Section 3.7 Meetings by Conference Telephone. Members may participate in a meeting of the Members by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

ARTICLE IV

Board of Directors

Section 4.1 General Powers. The affairs of the Corporation shall be governed by a Board of Directors, consisting of no fewer than three (3) nor more than nineteen (19) members. The Board of Directors shall have oversight over the operation of the Corporation, and shall have all such powers as are not expressly reserved herein to the Members or the Officers.

Section 4.2 Qualification, Term and Removal. Each Member shall be entitled to appoint two representatives ("Member Representatives") to serve on the Board of Directors of the Corporation. The Members shall, by majority vote, elect such other Directors as they see fit, including at least one member at large, provided that the total number of Directors serving at any time shall never be fewer than permitted in these By-

laws. Directors must be residents of Washington County, Maine. Directors shall serve until the earlier of their resignation, death or removal from office. A Director's term shall be for three (3) years and each Director appointed shall serve until his or her successor shall have been appointed and qualified or until his or her earlier resignation or removal from office. Any Director may be removed from office, with or without cause, upon the action of the Members, provided, however, that no Member Representative may be removed from office without the consent of the Member appointing such Member Representative.

Section 4.3 Regular Meetings. Meetings of the Board of Directors, regular or special, may be held at any location within or outside the State of Maine, but the Board of Directors must have at least one annual meeting, to be held in March of each year. The Board of Directors may provide by resolution the time and place for the holding of regular meetings of the Board of Directors without necessity for notice other than such resolution.

Section 4.4 Special Meetings. Special meetings of the Board of Directors may be called by the President of the Corporation, by vote of the Members, or by any two of its Directors.

Section 4.5 Notice. Except as otherwise provided in Section 4.3 above, notice of any regular meeting of the Board of Directors shall be given at least ten (10) business days prior thereto and notice of any special meeting of the Board of Directors shall be given at least five (5) business days prior thereto by written notice, such written notices to

be delivered personally or sent by mail, electronic mail, or fax to each Director at his or her address as shown on the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends the meeting for the express purpose of objecting to the transaction of any business because a meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless the applicable provisions of the Maine Nonprofit Corporation Act so require.

Section 4.6 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 4.7 Action of Directors by Unanimous Written Consent. Any action which may be taken or which may be required by Maine law to be taken at a meeting of Directors may be taken without a meeting if all the Directors sign a written consent setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consent shall be filed with the minutes of the Board of Directors' meetings and shall have the same effect as a unanimous vote of the Board of Directors.

Section 4.8 Meetings by Conference Telephone. Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar

communications equipment whereby all persons participating in the meeting can hear each other, and such participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

ARTICLE V

Officers

Section 5.1 Election and Term. The Officers of this Corporation shall consist of a President, a Treasurer, a Secretary and such other officers as the Board of Directors deems necessary. All Officers shall be elected or appointed annually by the Board of Directors immediately following the Annual Meeting. Any two or more offices may be held by the same person, except that no person may simultaneously serve as President and Treasurer. New offices may be created and filled at any meeting of the Board of Directors. Each Officer shall hold office until such Officer's successor shall have been duly elected.

Section 5.2 Removal. Any Officer may be removed by the Members or the Board of Directors whenever in their respective judgment the best interest of the Corporation will be served thereby.

Section 5.3 Vacancies. A vacancy, however occurring, in any office shall be filled by the Member Representatives.

Section 5.4 President. The President shall have general supervision of the affairs of the Corporation, shall preside at all meetings of the Board of Directors, and generally shall perform the duties usually incident to the office of President of a Maine Not-for-

profit corporation, and all such powers as might be prescribed to such officer by law or by vote of the Board of Directors.

Section 5.5 Secretary. The Secretary shall give notice to all Members of the Corporation of the Annual Meeting of the Members and of all duly called special meetings of the Members, and shall give notice to all Directors of the Corporation of the Annual Meeting and of all duly called special meetings of the Board of Directors. Notice shall be furnished in the manner provided by these By-laws. The Secretary shall faithfully and impartially record the actions taken at each meeting of the Members and of the Board of Directors.

Section 5.6 Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation; shall receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and shall deposit all such monies in the name of the Corporation and such banks, trust companies or other depositories as shall be selected and approved by the Board of Directors; and in general shall perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the Board of Directors.

ARTICLE VI

Committees and Task Forces

Section 6.1 Generally. The Board of Directors may establish such committees and task forces as it may deem necessary or appropriate for the purpose of furthering the objectives of the Corporation, and may admit or approve the admission of honorary

members.

Section 6.2 Term of Office, Eligibility. Committee and task force members shall be appointed by the Board of Directors and each member shall serve for such period as shall be designated by the Board of Directors unless earlier removed by it. Committee and task force members may, but need not be members of the Board of Directors or Officers of the Corporation.

Section 6.3 Chair. One member of each committee and each task force shall be appointed from among its members to serve as its chair.

Section 6.4 Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a task force, a majority of the whole task force shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the task force.

ARTICLE VII

Contracts, Checks, Deposits and Funds

Section 7.1 Contracts. The Board of Directors may authorize any Officer(s) or agent(s) of the Corporation, in addition to the Officers so authorized by law or these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 7.2 Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation,

shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by a resolution of the Board of Directors. In the absence of such determination by the Board of Directors, any such instrument may be signed by the President or Treasurer, acting singly.

Section 7.3 Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 7.4 Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE VIII

Books and Records

The Corporation shall keep correct and complete books and records of account and shall keep minutes of each meeting of the Members and of the Board of Directors. All books and records of this Corporation may be inspected by any Member, Officer or Director, or his or her agent or attorney for any proper purpose at any reasonable time.

ARTICLE IX

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE X

Prohibition Against Sharing in Corporate Earnings

Section 10.1 Prohibition Against Sharing in Corporate Earnings. No part of the net earnings of the Corporation shall inure to the benefit of any Director or Officer of the Corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the Corporation in carrying out one or more of its purposes), and no Director or Officer of the Corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

Section 10.2 Distribution of Assets Upon Dissolution. Upon any dissolution of the Corporation or the termination of its activities, the assets of the Corporation remaining after the payment of all its liabilities shall be distributed to the Members in proportion to their interests in the Corporation as set forth in a certain Interlocal Agreement between the Members as it may be amended from time to time, provided, however, that no distribution shall be made to any Member if, at the time of such distribution, such Member is not a municipality.

ARTICLE XI

Investments

Section 11.1 Investments. The Corporation shall have the right to invest and reinvest any funds held by it, according to the judgment of the Board of Directors, provided that no action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction, or would result in the loss, or in any manner impair, the tax

exempt status of the Corporation.

ARTICLE XII

Seal

Section 13.1 Seal. The seal of the Corporation may, but need not, be affixed to any properly executed document, and its absence therefrom shall not impair the validity of the document or any action taken in pursuance thereof or in reliance thereon. The presence of the corporate seal and a document purporting to be executed by authority of a domestic or foreign corporation shall be prima facie evidence of the document so executed.

ARTICLE XIII

Amendments to By-laws

Section 14.1 Amendments to By-laws. These By-laws may be amended by a majority of the Members present at any regular meeting or at any special meeting, if the written notice for such meeting states that one of the proposed actions is the amendment of these By-laws.

ARTICLE XV

Indemnification

Section 15.1 Indemnification. The Corporation shall have the power to indemnify any Member, Officer or Director, in respect of any and all matters or actions for which indemnification is permitted by the laws of the State of Maine, including

without limitation, liability for expenses incurred in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative. Indemnification under the preceding sentence with respect to persons other than Members, Officers and Directors, such as employees, agents or other persons acting for or on behalf of the Corporation may be made only upon the affirmative vote of the Board of Directors in specific instances. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Member, Director, Officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any of the above-stated capacities, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person.

Date Adopted:

Secretary