

SERFF Tracking Number: ACEH-126280898 State: Arkansas  
Filing Company: ACE American Insurance Company State Tracking Number: 43337  
Company Tracking Number: NTCA ASSOCIATION  
TOI: H21 Health - Other Sub-TOI: H21.000 Health - Other  
Product Name: NTCA Association Review  
Project Name/Number: NTCA Association Review/NTCA Association Review

## Filing at a Glance

Company: ACE American Insurance Company

Product Name: NTCA Association Review

TOI: H21 Health - Other

Sub-TOI: H21.000 Health - Other

Filing Type: Form

SERFF Tr Num: ACEH-126280898 State: Arkansas

SERFF Status: Closed-Approved-  
Closed State Tr Num: 43337

Co Tr Num: NTCA ASSOCIATION State Status: Approved-Closed

Reviewer(s): Rosalind Minor

Authors: Karen Moore, Anne Hickey Disposition Date: 09/11/2009

Date Submitted: 08/25/2009 Disposition Status: Approved-  
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: NTCA Association Review

Project Number: NTCA Association Review

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 09/11/2009

Deemer Date:

Submitted By: Karen Moore

Filing Description:

RE: ACE American Insurance Company

FEIN#: 95-2371728 / NAIC#: 626-22667

Status of Filing in Domicile: Authorized

Date Approved in Domicile:

Domicile Status Comments: This filing is not  
required in domicile state of Pennsylvania.

Market Type: Group

Group Market Size: Large

Group Market Type: Association

Explanation for Other Group Market Type:  
Association

State Status Changed: 09/11/2009

Created By: Karen Moore

Corresponding Filing Tracking Number: NTCA  
Association

Filing for National Telecommunications Cooperative Association under Bulletin 4-2005, SB 233, Act 1697 of 2005 -  
(Section 45)

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Dear Commissioner:

Arkansas Bulletin 4-2005, SB 233, Act 1697 of 2005 (Section 45) provides that the Commissioner must make a finding that an association was formed in good faith for purposes other than to provide insurance, before that association can be considered to be a "group" for purposes of group A&H policies, regardless of domicile, prior to soliciting residents of your state.

ACE American Insurance Company, an admitted insurer in the state of Virginia, will be issuing a Group Accident Insurance policy to the National Telecommunications Cooperative Association in Virginia, its domicile. (The policy will not incept until January 1, 2010.) We enclose copies of the Association's bylaws and its Consolidated Financial Statements for 2007 and 2008. Also included is the Questionnaire for Associations.

On this basis we maintain this insurance meets the requirements for associations pursuant to Section 23-86-106 (2)(A) of the Arkansas Insurance Code and ask for your acknowledgment.

Please contact me directly if additional information is required.

Regards,

Karen N. Moore

Compliance Manager

## Company and Contact

### Filing Contact Information

Karen Moore, Compliance Manager karen.moore@acegroup.com  
436 Walnut Street 215-640-5134 [Phone]  
WA09D 215-640-5548 [FAX]  
Philadelphia, PA 19106

### Filing Company Information

ACE American Insurance Company CoCode: 22667 State of Domicile: Pennsylvania  
PO Box 1000 Group Code: 626 Company Type:  
436 Walnut Street Group Name: State ID Number:  
Philadelphia, PA 19106 FEIN Number: 95-2371728  
(215) 640-5123 ext. [Phone]

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## Filing Fees

Fee Required? Yes  
Fee Amount: \$25.00  
Retaliatory? No  
Fee Explanation: One association review = \$25.00  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
ACE American Insurance Company	\$25.00	08/25/2009	30102908

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	09/11/2009	09/11/2009

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## **Disposition**

Disposition Date: 09/11/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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<b>Schedule</b>	<b>Schedule Item</b>	<b>Schedule Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Flesch Certification	Approved-Closed	Yes
<b>Supporting Document</b>	Application	Approved-Closed	Yes
<b>Supporting Document</b>	Health - Actuarial Justification	Approved-Closed	Yes
<b>Supporting Document</b>	Outline of Coverage	Approved-Closed	Yes
<b>Supporting Document</b>	NTCA Bylaws	Approved-Closed	Yes
<b>Supporting Document</b>	NTCA Financial Statement	Approved-Closed	Yes
<b>Supporting Document</b>	Arkansas Association Questionnaire	Approved-Closed	Yes
<b>Supporting Document</b>	NTCA - List of Arkansas Members	Approved-Closed	Yes

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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Flesch Certification <b>Bypass Reason:</b> N/A to Association review. <b>Comments:</b>	Approved-Closed	09/11/2009
<b>Bypassed - Item:</b> Application <b>Bypass Reason:</b> N/A to Association review. <b>Comments:</b>	Approved-Closed	09/11/2009
<b>Bypassed - Item:</b> Health - Actuarial Justification <b>Bypass Reason:</b> N/A to Association review. <b>Comments:</b>	Approved-Closed	09/11/2009
<b>Bypassed - Item:</b> Outline of Coverage <b>Bypass Reason:</b> N/A to Association review. <b>Comments:</b>	Approved-Closed	09/11/2009
<b>Satisfied - Item:</b> NTCA Bylaws <b>Comments:</b> <b>Attachment:</b> NTCA By-Laws - DocFile-1.pdf	Approved-Closed	09/11/2009

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	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> NTCA Financial Statement	Approved-Closed	09/11/2009
<b>Comments:</b>		
<b>Attachment:</b>		
2008 NTCA Consolidated AFS Financial Statement.pdf		

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> Arkansas Association Questionnaire	Approved-Closed	09/11/2009
<b>Comments:</b>		
<b>Attachment:</b>		
AR - NTCA - Arkansas Questionnaire for Associations.pdf		

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> NTCA - List of Arkansas Members	Approved-Closed	09/11/2009
<b>Comments:</b>		
<b>Attachment:</b>		
AR - ArkansasParticipantEnrollmentSummary20090824.pdf		

**2003**

**NTCA**

**Articles of  
Incorporation**

**Bylaws**

**From:** Anne Fogle  
**To:** Everyone  
**Date:** 2/10/03 6:23PM  
**Subject:** NTCA Revised Articles of Incorporation & Bylaws

At the February 5, 2003 Annual Meeting Business Session, the NTCA voting members approved a number of revisions to the NTCA Articles of Incorporation and Bylaws. While we were revising the Articles and Bylaws, we found that we were not in compliance with them in several areas. If we do not work within the framework of these documents, we could be in violation of the statutes and could lose our right to do business and our IRS status could be in jeopardy. Please take a few minutes and review these documents to ensure that you are complying with them as they have been revised.

A few examples of the changes are:

- 1) NTCA's purpose has been changed in the Articles.
- 2) Mike Brunner's title has changed from Executive Vice President to Chief Executive Officer.
- 3) The breakdown of the 10 regions is listed in the Bylaws and all 50 states are included. There are some versions of the breakdown of the 10 regions that do not include all the states. Puerto Rico is no longer included in the regional breakdown. The NTCA Board is the sole authority in assigning U.S. territories and possessions to regions. Be sure to use the regional breakdown as it appears in the revised Bylaws.
- 4) The Affiliate member category has been renamed Commercial Company.

The final revised Articles and Bylaws (Articles final.doc & Bylaws final.doc) and as they went to the voting members (Articles redline 5th draft.doc & Bylaws redline 10th draft.doc) are attached to this e-mail and in the M directory under ARTICLES & BYLAWS NTCA. The redline versions include the explanations of the proposed changes in italics within lines preceding the changes, the proposed deleted language is struck through and new language is double underlined.

The final versions only will be in the Executive Office section of the Intranet in a day or so.

According to the District of Columbia, the Articles of Incorporation cannot be restated, so the changes to this document are included as two Articles of Amendment (covering the name change from last year and the changes from this year) and appear at the end of the final document.

If you have any questions, please contact me. Thanks.

**ARTICLES OF INCORPORATION OF  
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION**

We, the undersigned, five or more natural persons, of the age of 21 years or more, do hereby voluntarily associate ourselves together and form a non-profit corporation under the District of Columbia Cooperative Association Act (June 19, 1940, 54 Stat., Chapt. 397, Section 47), and to that end duly adopt and acknowledge the following Articles of Incorporation:

**ARTICLE I**

The purpose of this Association shall be:

1. To engage in the compilation and dissemination of information with respect to telephony and the furnishing of other services to telephone cooperatives and others in connection with the coordination, advancement and development of telephone facilities in the United States of America, its territories and possessions, for the primary and mutual benefit of the patrons, as ultimate subscribers.

The powers of the Association shall be those set forth in the Act and shall be exercised by the Association's Board of Directors in accordance with the purpose and provisions of the Act, the Association's articles and by-laws and the decision of its membership meetings and in pursuance of its purposes.

**ARTICLE II**

The name of the Association shall be "National Telephone Cooperative Association."

**ARTICLE III**

The term of existence of the Association shall be perpetual.

**ARTICLE IV**

The principal office of the Association shall be located at 1303 New Hampshire Avenue, N.W., in the City of Washington, District of Columbia.

**ARTICLE V**

The names and addresses of the Incorporators of the Association are as follows:

E. R. Britt, Swainsboro, Georgia.

Carol Claggett, Bethel, Missouri.  
Glenn Bergland, Thompson, Iowa.  
George J. Werner, Houston, Minnesota.  
W. H. Copley, South Hill, Virginia.  
Henry M. Faris, Laurens, South Carolina.  
George L. Jackson, Dawson, North Dakota.

#### **ARTICLE VI**

The names and addresses of the directors who shall manage the affairs of the Association for the first year, unless sooner changed by the members, are as follows:

E. R. Britt, Swainsboro, Georgia.  
Carol Claggett, Bethel, Missouri.  
Glenn Bergland, Thompson, Iowa.  
W. H. Copley, South Hill, Virginia.  
Henry M. Faris, Laurens, South Carolina.  
George L. Jackson, Dawson, North Dakota.  
George J. Werner, Houston, Minnesota.

#### **ARTICLE VII**

The Association is organized without shares and the number of memberships subscribed for is seven.

#### **ARTICLE VIII**

The property rights of members in this Association shall be equal.

#### **ARTICLE IX**

In the event of the dissolution of this Association, its assets shall be distributed in the following manner and order:

1. By paying its debts and expenses.

2. By returning to the members of the Association the par value of their membership certificates. We don't give membership certificates.
3. By distributing the surplus to all of the telephone cooperatives that are members of this Association at the time of such dissolution, on a pro-rata basis in proportion to the payments made by each such member cooperative during the twelve months preceding the date of dissolution.

IN WITNESS WHEREOF, the incorporators have hereunto signed their names this the 1<sup>st</sup> day of June, 1954.

E.R. Britt  
Carol Claggett  
W.H. Copley  
Henry M. Faris  
Glenn Bergland  
George J. Werner  
George L. Jackson

DARIUS N. BROWN  
ATTORNEY AT LAW  
P.O. BOX 243  
SWAINSBORO, GEORGIA

**Articles of Amendment**

**of**

**NATIONAL TELEPHONE COOPERATIVE ASSOCIATION**

National Telephone Cooperative Association, a District of Columbia nonprofit corporation formed under the District of Columbia Cooperative Association Act (June 19, 1940, 54 Stat., Chapt. 397, Sect. 47) (hereinafter, the "Association"),

DOES HEREBY CERTIFY THAT:

1. "National Telephone Cooperative Association" is the name under which the Association was originally incorporated in the District of Columbia, and the date of filing of the original Articles of Incorporation of the Association with the Mayor of the District of Columbia is June 1, 1954.
2. The Articles of Incorporation of the Association are hereby amended by:
  - (i) Deleting the word "Telephone" in the title and inserting in lieu thereof the word "Telecommunications" making the title read "National Telecommunications Cooperative Association."
  - (ii) Deleting the word "Telephone" in Article II and inserting in lieu thereof the word "Telecommunications" making the Article read "National Telecommunications Cooperative Association."
3. The amendment herein certified has been duly approved at a meeting of the members of the Association entitled to vote with respect thereto, dated, February 14, 2002, setting forth the proposed amendment in accordance with the provisions of Section 29-907 of the District of Columbia Cooperative Association Act, and whereat a quorum of members was present in person. The Board of Directors unanimously recommended at its meeting on November 15-16, 2001 the amendment for approval by the members and directed that it be submitted to a vote of the members at the February 14, 2002 business session meeting of the Association, and thereafter at least two-thirds of the members submitted affirmative votes in favor of the amendments.
4. Due Notice of such meeting setting forth the proposed amendment was given to each member entitled to vote at such meeting.

\* \* \* \* \*

**Articles of Amendment**

**of**

**NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION**

National Telecommunications Cooperative Association, a District of Columbia nonprofit corporation formed under the District of Columbia Cooperative Association Act (June 19, 1940, 54 Stat., Chapt. 397, Sect. 47) (hereinafter, the "Association"),

DOES HEREBY CERTIFY THAT:

1. "National Telephone Cooperative Association" is the name under which the Association was originally incorporated in the District of Columbia, and the date of filing of the original Articles of Incorporation of the Association with the Mayor of the District of Columbia is June 1, 1954.

2. The Articles of Incorporation of the Association are hereby amended by:

(i) Deleting all of Article I and inserting in its place the following:

**"ARTICLE I**

"The purpose of this Association shall be:

"To engage in the compilation and dissemination of information and the furnishing of services to its members in the telecommunications industry.

"The powers of the Association shall be those set forth in the Act and shall be exercised by the Association's Board of Directors in accordance with the purpose and provisions of the Act, the Association's Articles and Bylaws and the decision of its membership meetings and its pursuance of its purposes."

(ii) Deleting all of Article IX and inserting in its place the following:

"In the event of the dissolution of this Association, its assets shall be distributed in the following manner and order:

"1. By paying its debts and expenses.

"2. By distributing any remaining surplus as a gift to any consumers' cooperative association or other nonprofit enterprise for one (1) or more exempt purposes within the meaning of Section

501(c)(6) or Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended or supplemented.”

3. The amendments herein certified have been duly approved at a meeting of the members of the Association entitled to vote with respect thereto, dated, February 5, 2003, setting forth the proposed amendment in accordance with the provisions of Section 29-907 of the District of Columbia Cooperative Association Act, and whereat a quorum of members was present in person. The Board of Directors unanimously recommended at its meeting on November 14-15, 2002 the amendment for approval by the members and directed that it be submitted to a vote of the members at the February 5, 2003 business session meeting of the Association, and thereafter at least two-thirds of the members submitted affirmative votes in favor of the amendments.

4. Due Notice of such meeting setting forth the proposed amendment was given to each member entitled to vote at such meeting.

\* \* \* \* \*

# NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

## BYLAWS

### ARTICLE I, MEMBERS AND MEMBERSHIP

#### ARTICLE I, SECTION 1. MEMBERSHIP AND MEMBERSHIP PRIVILEGES.

In these Bylaws, unless the subject matter requires otherwise, the term and all references to "MEMBER" or "MEMBERS" shall mean cooperatives and nonprofit corporations that otherwise fulfill all obligations described in these Bylaws to be MEMBERS of the National Telecommunications Cooperative Association (the "Association" or "NTCA"). The term and all references to an NTCA "member" or "members" shall mean all NTCA members (including cooperatives and nonprofit corporations), unless the subject matter requires otherwise.

Membership in the Association shall be as follows:

- (a) A MEMBER shall be a cooperative or nonprofit corporation organized for or engaged in furnishing telecommunications services to subscribers or members and that otherwise fulfills all obligations described in these Bylaws to be a MEMBER of the Association.
- (b) A Commercial Company member shall be an incumbent local exchange carrier not eligible under subsection (a) of this section.

Privileges of the various categories of membership shall be as follows:

- (a) MEMBERS as defined in Article I, Section 1. (a) shall be entitled to all privileges of membership.
- (b) Commercial Company members as defined in Article I, Section 1. (b) shall be entitled to all privileges of membership except voting and serving as voting members on the Board of Directors (the "Board"). Commercial company members shall have advisory representation on the Board.

The Board may establish special categories of non-voting membership as it may deem appropriate and under terms and conditions that it may specify. However, notwithstanding the preceding sentence, any special category of non-voting member established by the Board shall be subject to all the eligibility requirements placed on members with regard to participation (or continued participation) in any Association-sponsored employee benefits plan or program. Provided further, no person admitted to membership under a special category created by the Board shall be eligible to serve on the Board.

**ARTICLE I, SECTION 2. MEMBERSHIP DUES.**

Membership dues shall be as follows:

For MEMBERS as defined in Article I, Section 1. (a), there will be minimum annual dues of \$500 and annual dues based on operating statistics as of December 31 two years previous.

Beginning with the calendar year 1995, the Board shall have the authority to implement the following annual dues formulas:

- Step 1 The lower amount of .45% of annual revenues, \$2.80 per access line, or \$14,000. Added to that amount is \$.08 per access line;
- Step 2 The lower amount of .45% of annual revenues, \$2.80 per access line, or \$16,000. Added to that amount is \$.10 per access line;
- Step 3 The lower amount of .45% of annual revenues, \$2.80 per access line, or \$18,000. Added to that amount is \$.12 per access line;
- Step 4 The lower amount of .45% of annual revenues, \$2.80 per access line, or \$20,000. Added to that amount is \$.14 per access line.

The Board shall have the authority to implement these dues formulas in sequential order as needed except that the Board may not increase or decrease the dues more than one step in a 12-month period.

The Board shall have the authority to set the dues for all other categories of membership in the Association.

**ARTICLE I, SECTION 3. QUALIFICATIONS FOR MEMBERSHIP.**

No applicant shall become a member until it has paid the initial annual dues and has agreed to be bound by the Articles of Incorporation, these Bylaws, and such rules and regulations as may from time to time be adopted by the Board.

**ARTICLE I, SECTION 4. LIABILITY OF MEMBERS.**

No member shall be liable or responsible for any debts or liabilities of the Association.

**ARTICLE I, SECTION 5. WITHDRAWAL OF MEMBERSHIP.**

A member in any category of membership may voluntarily withdraw its membership on payment in full of all its debts and obligations to the Association and on compliance with and performance of all contracts with the Association. Failure of a member to pay the annual dues shall constitute a termination of membership.

**ARTICLE I, SECTION 6. TRANSFER OF MEMBERSHIP.**

Membership shall not be transferable, except in case of a merger or consolidation with another organization, membership may be vested in the successor organization in the category of membership to which the latter is eligible.

**ARTICLE I, SECTION 7. EXPULSION AND REMOVAL OF MEMBERS.**

A member in any category of membership may be expelled by a majority vote of the MEMBERS voting at a regular or special meeting. The member shall be informed thereof in writing at least thirty (30) days in advance of the meeting at which such a vote is scheduled to take place, and shall have an opportunity to be heard in person or by counsel at said meeting.

**ARTICLE I, SECTION 8. EFFECT OF TERMINATION OF MEMBERSHIP.**

Termination of a member in any category of membership in any manner shall, except as hereinafter provided, operate as a release of all right, title, and interest of the member in the property and assets of the Association provided, however, such termination of membership shall not release the member from debts or liabilities of such member to the Association.

**ARTICLE II, MEETINGS OF THE ASSOCIATION**

**ARTICLE II, SECTION 1. ANNUAL MEETING.**

The annual meeting of the Association shall be held within the first quarter of each calendar year at such time and place as shall be designated by the Board. In the event the national welfare or the best interest or convenience of the Association shall, in the judgment of the Board justify a postponement of the annual meeting, such annual meeting may be postponed by the Board for a period not exceeding 180 days. MEMBERS shall be notified of the postponement and the date fixed for the postponed annual meeting. Such annual meeting then held in accordance with such notice shall be and constitute the regular annual meeting of the Association in as full, complete and ample a manner as though held within the period herein specified. Failure to hold an annual meeting at the designated time shall not work a forfeiture or dissolution of the Association.

**ARTICLE II, SECTION 2. REGIONAL MEETINGS.**

Regular regional meetings shall be held each year. The Secretary-Treasurer shall call each regional meeting. The President shall preside over the meeting, unless he or she delegates that duty to the Regional Director.

**ARTICLE II, SECTION 3. SPECIAL MEETINGS.**

Special meetings of the Association may be demanded by a majority vote of the Board or upon a written petition signed by at least ten (10) percent of the MEMBERS. It shall be the duty of the Secretary-Treasurer to call such meetings to take place within thirty (30) days after such demand. Special meetings of the Association may be held at any place specified in the notice of the special meeting.

**ARTICLE II, SECTION 4. NOTICE OF ANNUAL, REGIONAL OR SPECIAL MEETINGS.**

Notice of an annual meeting stating the place, day and hour of the meeting shall be sent by the Secretary-Treasurer at least thirty (30) days in advance of the meeting to each MEMBER at its last known address.

Notice of a meeting to consider amendments to the Articles of Incorporation stating the place, day and hour of the meeting shall be sent by the Secretary-Treasurer at least thirty (30) days in advance of the meeting to each MEMBER at its last known address, accompanied by the full text of the proposal and by that part of the Articles of Incorporation to be amended.

Notice of a regional meeting stating the place, day and hour of the meeting shall be sent by the Secretary-Treasurer at least thirty (30) days in advance of the meeting to each MEMBER of the Region at its last known address.

Notice of a special meeting stating the place, day and hour of the meeting shall be sent in accordance with Article II, Section 3, Special Meetings, to each MEMBER at its last known address and shall specify the purpose for which the meeting is called.

**ARTICLE II, SECTION 5. QUORUM AND VOTING.**

Unless otherwise required in the Articles of Incorporation, the presence of voting delegates of at least five (5) percent of the MEMBERS of the Association shall constitute a quorum at a meeting.

Each MEMBER shall be entitled to select either by vote of its membership or its board of directors, one of its members, directors/trustees, or employees to act as the voting delegate and one such person to act as the voting alternate of such MEMBER at the meetings of the Association.

If a quorum is not present when a meeting starts, then a majority of the MEMBERS at the meeting may adjourn the meeting.

Each MEMBER shall be entitled to one vote on each matter submitted to a vote at a meeting. Any voting delegate or alternate delegate, before participating in a meeting, shall submit an instrument in writing, on a form provided by the Association, executed by appropriate officers of the MEMBER certifying the authorized voting delegate and alternate delegate to represent the MEMBER at said meeting. In the event the voting delegate of a MEMBER is absent, or is unable or refuses to act, the alternate designated by such MEMBER shall act in his or her stead and shall cast the vote of such MEMBER. The presiding officer shall determine, in the case of disputes, who shall be eligible to cast the vote of a MEMBER. No individual may represent more than one MEMBER and proxy voting is prohibited in all meetings. If a quorum is present, unless otherwise provided by law, in the Articles of Incorporation, or elsewhere in these Bylaws, the affirmative vote of a majority of the MEMBERS present at the meeting entitled to vote on the subject matter presented shall be the act of the MEMBERS.

**ARTICLE II, SECTION 6. PARLIAMENTARY AUTHORITY.**

The rules contained in the then-current edition of Robert's Rules of Order shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with the Articles of Incorporation, these Bylaws, or any special rules of order or procedure that the Association may adopt.

**ARTICLE III, BOARD OF DIRECTORS**

**ARTICLE III, SECTION 1. GENERAL POWERS.**

The Association's general direction shall be set by the Board.

**ARTICLE III, SECTION 2. REGIONS REPRESENTED.**

The United States shall be divided into ten (10) ("Regions") as follows:

- Region 1 Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia
- Region 2 Florida, Georgia, South Carolina
- Region 3 Alabama, Kentucky, Mississippi, Tennessee
- Region 4 Indiana, Michigan, Ohio
- Region 5 Illinois, Iowa, Wisconsin
- Region 6 Minnesota, North Dakota, South Dakota
- Region 7 Colorado, Kansas, Nebraska, Utah
- Region 8 Arkansas, Louisiana, Missouri
- Region 9 Alaska, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington, Wyoming
- Region 10 Arizona, New Mexico, Oklahoma, Texas.

The Board shall assign territories and possessions of the United States to Regions, as appropriate.

**ARTICLE III, SECTION 3. NUMBER, QUALIFICATIONS AND TERM OF OFFICE.**

The Board shall consist of ten (10) voting Directors (also referred to in these Bylaws as "Regional Directors"). One Directors shall be elected from each of the above Regions in which are located one or more MEMBERS. The person elected to serve as a Regional Director must be a member, director/trustee, officer or employee of a MEMBER classified under Article I, Section 1. (a) and said MEMBER must be in good standing in the Association. Regional Directors shall be elected for a term of three (3) years and shall hold office until resignation, removal, death, or their successors are elected and seated. A Regional Director may resign the office by the execution of a written instrument.

The Board shall have two (2) non-voting Commercial Company advisory seats.

**ARTICLE III, SECTION 4. ELECTION OF REGIONAL DIRECTORS.**

The MEMBERS of each Region shall elect the Regional Directors according to election procedures approved by the Board and in a manner consistent with applicable law, the Articles of

Incorporation and these Bylaws. Subject to the Articles of Incorporation and these Bylaws, each Region shall be the judge of the qualifications of the individual elected as its Regional Director. A full three-year Regional Director's term shall begin at the time the new Director is seated during the organizational meeting of the Board held at the annual meeting immediately following his or her election. A full three-year Regional Director's term shall end when his or her replacement is seated.

All Regional Directors-elect shall be conclusively presumed to have qualified when they present themselves at the organizational meeting of the Board. Should any Regional Director-elect be prevented from attending the organizational meeting of the Board, for good and sufficient cause to be determined by the Board, he or she shall be conclusively presumed to have qualified at said organizational meeting if he or she shall file a certification with the President showing the cause of nonattendance, and stating that he or she does accept the office to which he or she has been elected, and provided said certification is approved by the Board.

**ARTICLE III, SECTION 5. MEETINGS.**

A regular meeting of the Board shall be held immediately prior to, during or immediately following and at the same place as the annual meeting. There shall be at least one other meeting of the Board each year.

**ARTICLE III, SECTION 6. QUORUM.**

A majority of the Regional Directors shall constitute a quorum for the transaction of business at any Board meeting. If a quorum is not present when a meeting starts, then a majority of the Regional Directors at the meeting may adjourn the meeting.

**ARTICLE III, SECTION 7. MANNER OF ACTING.**

The action of the majority of Regional Directors of the Board at meetings at which a quorum is present shall be the act of the Board.

**ARTICLE III, SECTION 8. REMOVAL.**

A Regional Director may be removed with or without cause, by a vote of two-thirds (2/3) of the MEMBERS voting at a regular or special Association meeting. The Regional Director shall be informed thereof in writing at least thirty (30) days in advance of the meeting at which such a vote is scheduled to take place, and shall have an opportunity to be heard in person or by counsel at said meeting.

**ARTICLE III, SECTION 9. VACANCIES.**

In the event of the death or resignation of a Regional Director, the Board shall appoint an individual from such Region to act until the MEMBERS of the Region elect a Regional Director to serve the remainder of the term.

In the event of a Regional Director's removal, the vacancy shall be filled by the vote provided in Section 4. of this Article. The person elected shall serve the remainder of the term of the removed Director. The Secretary-Treasurer shall call and the President shall preside at the meeting called to fill the vacancy.

**ARTICLE III, SECTION 10. APPOINTMENT OF CHIEF EXECUTIVE OFFICER.**

The Board may appoint a Chief Executive Officer who shall perform such duties and have such authority as the Board may vest in him or her.

**ARTICLE III, SECTION 11. COMMITTEES.**

The Board may establish committees, either member or Board, and select personnel for such committees or delegate that authority.

**ARTICLE III, SECTION 12. REPORTS.**

The Board shall cause to be submitted at the business session of each annual meeting reports covering the business of the Association for the previous fiscal year.

**ARTICLE IV, OFFICERS**

**ARTICLE IV, SECTION 1. NUMBER.**

The officers of the Association shall be a President, Vice President, Secretary-Treasurer and such other officers as may be determined from time to time by the Regional Directors.

**ARTICLE IV, SECTION 2. ELECTION AND TERM OF OFFICE.**

The officers shall be elected by the Regional Directors at the organizational meeting of the Board held immediately prior to, during or immediately after each annual meeting. The President, Vice President and Secretary-Treasurer must be elected from the Regional Directors and shall continue to serve as voting members of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as possible.

Each officer shall hold office until the organizational meeting of the Board held immediately prior to, during, or immediately following the next annual meeting, or until his or her successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

**ARTICLE IV, SECTION 3. REMOVAL.**

An officer may be removed with or without cause, by a vote of two-thirds (2/3) of the MEMBERS voting at a regular or special Association meeting. The officer shall be informed thereof in writing at least thirty (30) days in advance of the meeting and shall have an opportunity to be heard in person or by counsel at said meeting.

**ARTICLE IV, SECTION 4. VACANCIES.**

A vacancy due to death or resignation in any office may be filled by and from the remaining Regional Directors for the remainder of the term.

In the event of an officer's removal, his/her vacancy shall be filled in accordance with Section 2. of this Article.

**ARTICLE IV, SECTION 5. PRESIDENT.**

The President shall:

- (a) be the chief elected officer and shall preside at all meetings of the Association and of the Board unless he or she delegates that duty;
- (b) sign deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and
- (c) perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

**ARTICLE IV, SECTION 6. VICE PRESIDENT.**

In the absence of the President for meetings of the Association or the Board, or in the event of the President's death, removal, or resignation, or when specifically directed by the President, the Vice President shall perform the duties of the President and, when so acting, shall have the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned by the Board.

**ARTICLE IV, SECTION 7. SECRETARY-TREASURER.**

The Secretary-Treasurer shall be responsible for:

- (a) seeing that all notices are duly given in accordance with these Bylaws or as required by law;
- (b) keeping on file at all times a complete copy of the Articles of Incorporation and the Bylaws of the Association containing all amendments thereto, which copy shall always be open to the inspection of any member and, at the expense of the Association, make available a copy of the Articles of Incorporation and Bylaws and of all amendments thereto to each member; and
- (c) performing all the duties incident to the office of the Secretary-Treasurer and such other duties as from time to time may be assigned by the Board.

**ARTICLE IV, SECTION 8. BONDS OF OFFICERS.**

Every individual acting as an officer or employee of the association and handling funds or securities amounting to \$1,000 or more, in any one (1) year, shall be covered by adequate bond as determined by the Board, and at the expense of the Association.

**ARTICLE V, CONTRACTS, CHECKS AND DEPOSITS**

**ARTICLE V, SECTION 1. CONTRACTS.**

Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association, and such authority may be general or confined to specific instances.

**ARTICLE V, SECTION 2. CHECKS, DRAFTS, ETC.**

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

**ARTICLE V, SECTION 3. DEPOSITS.**

All funds of the Association shall be deposited from time to time to the credit of the Association in such bank or banks as the Board may select.

**ARTICLE VI, WAIVER OF NOTICE**

Any MEMBER may waive, in writing, before or after a meeting any notice of the meeting required to be given by these Bylaws. The failure of any MEMBER to receive notice of a meeting shall not invalidate any action which may be taken by the MEMBERS at any such meeting and any MEMBER may waive the notice required. The presence of a MEMBER at any meeting shall constitute a waiver of notice of such meeting, except in the case of a MEMBER attending a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

**ARTICLE VII, ALLOCATION AND DISTRIBUTION OF NET SAVINGS**

At the close of each fiscal year, the net savings of the Association, if any, shall be allocated in the following order:

- (a) There shall be transferred to a reserve fund such amounts as the Board may determine, which fund may be used under the direction of the Board for any approved activity.
- (b) Any remaining funds may, in the discretion of the Board, be repaid to the members in proportion to the amounts that each such member has paid to the Association during the preceding fiscal year as annual dues.

**ARTICLE VIII, INDEMNIFICATION**

The personal liability of any person serving or having served as an Officer, Director, Commercial Company Adviser, committee member, or employee of the Association is hereby eliminated to the fullest extent permitted by District of Columbia law and by applicable law. The Association shall indemnify and hold harmless each such Officer, Director, Commercial Company Adviser, committee member, or employee of the Association from and against any and all liabilities, costs and expenses (including attorneys' fees and expenses) reasonably incurred by him or her, or on his or her behalf, in connection with any civil action or proceeding to which he or she may be a party by reason of his or her being or having been an Officer, Director, Commercial Company Adviser, committee member, or employee of the Association, or by reason of any action alleged to have been taken or omitted by him or her in such capacity, except where the injury or damage was a result of: (i) the willful misconduct of such person; (ii) a crime, unless such person had

reasonable cause to believe that the act was lawful; (iii) a transaction that resulted in an improper personal benefit of money, property or services to such person; or (iv) an act or omission that was not in good faith and was beyond the scope of authority of the Association pursuant to the Act, the Association's Articles of Incorporation, or these Bylaws. Such indemnity shall be effective only in the event that the interested Officer, Director, Commercial Company Adviser, committee member, or employee provides the Board of Directors, within a reasonable time after the institution of such action or proceeding, written notice thereof. Such indemnity shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement or otherwise. Such indemnity shall inure to the benefit of the heirs, executors and administrators of each Officer, Director, Commercial Company Adviser, committee member, or employee. The Association may purchase liability insurance for the indemnity specified above to the fullest extent as determined from time to time by the Board.

#### **ARTICLE IX, BORROWING MONEY**

The Board shall have the authority to contract for debt and, if necessary, secure any indebtedness with property owned by the Association.

#### **ARTICLE X, FISCAL YEAR**

The fiscal year of the Association shall begin on the first day of January of each year and end on the thirty-first day of December of the same year. Any membership dues payable during the fiscal year are allocatable and expendable during that year.

#### **ARTICLE XI, SEAL**

The corporate seal of the Association shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words "Seal, Washington, D.C."

#### **ARTICLE XII, AMENDMENTS**

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of the MEMBERS present and voting at any regular or special meeting, provided that the official notice of such regular or special meeting shall contain a copy of the proposed alteration, amendment or repeal.

The Board of Directors is charged with the responsibility of the consideration, proposal and presentation of any Bylaw changes, amendments or alterations.

After any alteration, amendment or repeal of these Bylaws has been adopted, all MEMBERS shall be notified of such action as soon as is conveniently possible.

- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

# NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

## BYLAWS

### ARTICLE I, MEMBERS AND MEMBERSHIP

#### ARTICLE I, SECTION 1. MEMBERSHIP AND MEMBERSHIP PRIVILEGES.

*Suggest when referring to cooperative and nonprofit corporation members in these Bylaws that the words "MEMBER" or "MEMBERS" are used. The words "member" or "members" are used when referring to all NTCA members, unless the subject matter is referring to subscribers or members of telcos.*

In these Bylaws, unless the subject matter requires otherwise, the term and all references to "MEMBER" or "MEMBERS" shall mean cooperatives and nonprofit corporations that otherwise fulfill all obligations described in these Bylaws to be MEMBERS of the National Telecommunications Cooperative Association (the "Association" or "NTCA"). The term and all references to an NTCA "member" or "members" shall mean all NTCA members (including cooperatives and nonprofit corporations), unless the subject matter requires otherwise.

- 1. Suggest listing just the voting category of (a) MEMBER (cooperatives or nonprofit corporations) and the non-voting category of (b) Affiliate (Commercial Company), since these are our two operating telephone company membership categories. Suggest deleting the mention of Associate and Association categories, since we have more non-voting, non-telephone company membership categories than these two. The last paragraph of this section already gives the Board authority to create non-voting membership categories.*
- 2. Suggest deleting last sentence of (a) since it's included in the proposed first paragraph of this section.*

Membership in the National Telephone Cooperative Association shall be in four classifications: ~~MEMBERS, Affiliate members, Associate members and Association members~~ as follows:

- (a) A MEMBER shall be a cooperative or nonprofit corporation organized for or engaged in furnishing telephone telecommunications services to subscribers or members and that otherwise fulfills all obligations described in these Bylaws to be a MEMBER of the Association. ~~Unless otherwise stated, the term MEMBER hereinafter in these Bylaws will refer to a full voting MEMBER created under this Article I, Section 1 (a).~~

*Suggest substituting the commonly used "Commercial Company" term instead of "Affiliate."*

- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

(b) ~~An Affiliate Commercial Company member shall be an operating telephone system incumbent local exchange carrier not eligible under subsection (a) of this section.~~

~~(c) An Associate member shall be a supplier, manufacturer or consultant supplying goods or services to the telecommunications industry.~~

~~(d) An Association member shall be a local, state or regional organization of telephone systems.~~

Privileges of the various categories of membership shall be as follows:

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*Suggest how the voting delegate is selected be deleted here and included in Article II, Meetings of the Association, Section 5, Quorum and Voting.*

---

MEMBERS as defined in Article I, Section 1. (a) shall be entitled to all privileges of membership. ~~Each MEMBER shall be entitled to select either by vote of its membership or its board of directors, one of its members, directors/trustees, or employees to act as the voting delegate and one such person to act as the voting alternate of such MEMBER at the meetings of the Association.~~

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*Suggest changing the wording to reflect the non-voting Commercial Company advisory seats now on the Board. The voting MEMBERS at the 1997 Annual Meeting Business Session passed a resolution approving two non-voting advisory seats.*

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Affiliate Commercial Company members as defined in Article I, Section 1. (b) shall be entitled to all privileges of membership except voting and serving as voting members on the Board of Directors (the "Board"). Commercial company members shall have advisory representation on the Board.

~~Associate Members shall be entitled to all privileges of membership except voting and serving on the Board of Directors. However, notwithstanding the preceding sentence, their eligibility to participate (or to continue to participate) in any Association sponsored employee benefit plan or program shall be governed by the qualifications and requirements that are set forth in the specifications or other legal documents established for each plan or program.~~

~~Association Members shall be entitled to all privileges of membership except voting and serving on the Board of Directors.~~

The Board of Directors may establish special categories of non-voting membership as it may deem appropriate and under terms and conditions that it may specify. However, notwithstanding the preceding sentence, any special category of non-voting member that the Board establishes is established by the Board shall be subject to all the same eligibility requirements as Associate

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~~Members placed on members~~ with regard to participation (or continued participation) in any Association-sponsored employee benefits plan or program. Provided further, no person admitted to membership under a special ~~classification~~ category created by the Board shall be eligible to serve on the Board of Directors.

Suggest deleting the term "membership fees" throughout these Bylaws since we do not have them.

**ARTICLE I, SECTION 2. MEMBERSHIP FEES & DUES.**

Membership fees and dues shall be as follows:

- (a) For MEMBERS as defined in Article I, Section 1. (a), there will be ~~an initial membership fee of \$10.00, minimum annual dues of \$500 and annual dues based on operating statistics as of December 31 two years previous, according to the following schedules.~~

Suggest deleting the following dues structure, since it's no longer in effect.

~~There shall be annual dues assessed on the number of subscribers equal to \$.08 per subscriber.~~

~~In addition, annual dues shall be assessed on total operating revenues according to the following schedules:~~

- ~~\_\_\_\_\_ .0046 on the first \$500,000~~
- ~~\_\_\_\_\_ .0044 on the second \$500,000~~
- ~~\_\_\_\_\_ .0042 thereafter~~

~~After the \$500 minimum annual dues has been met, and before the per subscriber assessment is applied dues per subscriber and overall maximum dues shall be as follows:~~

<del>Maximum/</del>	<del>Maximum Dues</del>
<del>Subscriber</del>	
<del>\$2.80</del>	<del>\$13,000</del>

Suggest consolidating (b), (c) and (d) and stating in separate paragraph that, except for MEMBERS, all dues shall be set by the Board (see last paragraph of this section) which is the way it's done now.

- (b) ~~For Affiliate members, the annual dues shall be set by the Board of Directors, but shall not exceed those for MEMBERS; provided, however, no membership fee shall be required.~~
- (c) ~~For Associate members the annual dues shall be set by the Board of Directors; provided, however, no membership fee shall be required.~~

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- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

(d) ~~For Association members the annual dues shall be set by the Board of Directors; provided however, no membership fee shall be required.~~

(e) Beginning with the calendar year 1995, the NTCA Board of Directors shall have authority to ~~increase the NTCA dues by implementing the following annual dues formulas:~~

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Suggest clarifying the MEMBER dues formulas.

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Step 1 ~~.0045 of revenues, with a cap of either \$2.80 per access line or \$14,000 revenues; plus \$.08 per access line.~~

The lower amount of .45% of annual revenues, \$2.80 per access line, or \$14,000.  
Added to that amount is \$.08 per access line;

Step 2 ~~.0045 of revenues with a \$2.80 per access line and \$16,000 revenues cap; plus \$.10 per access line.~~

The lower amount of .45% of annual revenues, \$2.80 per access line, or \$16,000.  
Added to that amount is \$.10 per access line;

Step 3 ~~.0045 of revenues with a \$2.80 per access line and \$18,000 revenues cap; plus \$.12 per access line.~~

The lower amount of .45% of annual revenues, \$2.80 per access line, or \$18,000.  
Added to that amount is \$.12 per access line;

Step 4 ~~.0045 of revenues with a \$2.80 per access line and \$20,000 revenues cap; plus \$.14 per access line.~~

The lower amount of .45% of annual revenues, \$2.80 per access line, or \$20,000.  
Added to that amount is \$.14 per access line;

The NTCA Board of Directors shall have the authority to implement these dues formulas in sequential order as needed except that the Board may not increase or decrease the dues more than one step in a 12-month period.

The Board shall have the authority to set the dues for all other categories of membership in the Association.

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Suggest putting in the term "Articles of Incorporation" in front of the word "Bylaws" since they take precedence over the Bylaws.

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- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
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**ARTICLE I, SECTION 3. QUALIFICATIONS FOR MEMBERSHIP.**

No applicant shall become a ~~MEMBER~~ member of the Association until it has paid the membership fee and the initial annual dues herein above provided for and has agreed to be bound by the Articles of Incorporation, these Bylaws and the ~~Articles of Incorporation of the Association and any amendments thereto~~, and such rules and regulations as may from time to time be adopted by the Board of Directors of the Association.

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*Suggest using language from Washington, D.C. statutes to clarify the following section.*

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**ARTICLE I, SECTION 4. NON LIABILITY FOR DEBTS OF THE ASSOCIATION OF MEMBERS.**

The ~~property of all classifications of members of the Association shall be exempt from execution for the debts of the Association and no m~~ No member shall be liable or responsible for any debts or liabilities of the Association.

- 
1. *Suggest deleting the requirement to give six months written notice to withdraw, since it's impractical to enforce.*
  2. *Suggest deleting the requirement for the Board to direct when a member is terminated for nonpayment of annual dues, since that is a normal business function of the Finance and Membership divisions and is impractical to enforce.*
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**ARTICLE I, SECTION 5. WITHDRAWAL OF MEMBERSHIP.**

An ~~organization or individual~~ member in any ~~classification~~ category of membership may, by giving not less than six months' written notice of its intentions to do so, voluntarily withdraw from its membership in the Association on payment in full of all its debts and obligations to the Association and on compliance with and performance of all contracts of ~~such organization or individual~~ with the Association. Failure of any ~~such organization or individual~~ member to pay the annual dues ~~within such time and after such notice as the Board of Directors may fix~~ shall constitute a termination of membership.

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1. *Suggest this be rewritten to remove mention of certificates since they are not issued.*
  2. *Suggest substituting the word "organization" for "corporation" since not all members are corporations.*
- 

**ARTICLE I, SECTION 6. TRANSFER OF MEMBERSHIP.**

Membership in the Association and ~~certificates representing such membership~~ shall not be transferable, except that in case of a merger or consolidation with another ~~corporation~~ organization, membership may be vested in the successor ~~corporation~~ organization in the ~~classification~~ category of membership to which the latter is eligible.

- 
1. *Suggest changing 10 days notice to 30 days for continuity throughout these Bylaws.*
  2. *Suggest deleting last sentence since there are no member holdings.*
-

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- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

#### ARTICLE I, SECTION 7. EXPULSION AND REMOVAL OF MEMBERS.

A member in any ~~classification~~ category of membership may be expelled by a majority vote of the MEMBERS voting at a regular or special meeting. The ~~organization or individual member~~ against whom the charges are preferred shall be informed thereof in writing at least thirty (~~40~~ 30) days in advance of the meeting at which such a vote is scheduled to take place, and shall have an opportunity to be heard in person or by counsel at said meeting. ~~On decision of the Association to expel an organization or individual, the Board of Directors shall purchase the member's holdings at par value, if and when there are sufficient reserve funds.~~

#### ARTICLE I, SECTION 8. EFFECT OF TERMINATION OF MEMBERSHIP.

Termination of any ~~classification~~ a member in any category of membership in any manner shall, except as hereinafter provided, operate as a release of all right, title, and interest of the ~~organization or individual member in any classification of membership~~ in the property and assets of the Association provided, however, ~~that~~ such termination of membership shall not release the ~~organization or individual member~~ from debts or liabilities of such ~~organization or individual member~~ to the Association.

### ARTICLE II, MEETINGS OF THE ASSOCIATION

- 1. Suggest deleting language that the Board sends meeting notices, since Washington, D.C. statutes requires Secretary-Treasurer to give notice for meetings where amendments to the Articles of Incorporation will be presented (e.g., business session of annual meetings).*
- 2. Suggest deleting mention of Executive Committee (see suggestion in Article V, Executive Committee that it be dissolved since with a small Board such as NTCA's there is no need for an Executive Committee).*

#### ARTICLE II, SECTION 1. ANNUAL MEETING.

The annual meeting of the Association shall be held within the first quarter of each calendar year at such time and place as shall be designated by the Board of Directors ~~in the notice of meeting for the purpose of amending the Bylaws of the Association, passing upon reports covering the previous fiscal years and transacting such other business as may come before the business session of the meeting.~~ In the event the national welfare or the best interest or convenience of the Association shall, in the judgment of the Board of Directors or, in its absence, the Executive Committee, demand justify a postponement of the annual meeting, such annual meeting may be postponed by the Board of Directors or the Executive Committee, ~~in the absence of the Board of Directors~~ for a period not exceeding 180 days all. MEMBERS shall be notified of the postponement and the date fixed for the postponed annual meeting, ~~and s~~Such annual meeting then ~~so~~ held in accordance with such notice shall be and constitute the regular annual meeting of the Association in as full, complete and ample a manner as though held within the period herein specified. Failure to hold an annual meeting at the designated time shall not work a forfeiture or dissolution of the Association.

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- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
  - \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
  - \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.
- 

1. *Suggest changing that the Director calls the Regional Meeting to Secretary-Treasurer. Our attorneys' interpretation of the Washington, D.C. statute is that regional meetings are special meetings and the statute requires the Secretary-Treasurer to call all special meetings.*
  2. *Suggest stating that the President shall preside over the meetings unless he or she delegates that duty to the Regional Director since this differs per region, e.g., some regions the President presides and some the Regional Director presides.*
  3. *Suggest deleting notice requirements in this section since they vary depending on the type of meeting and are stated in this Article's Section 4, Notice of Annual, Regional, or Special Meetings. The quorum requirements are stated in this Article's Section 5., Quorum and Voting.*
- 

#### **ARTICLE II, SECTION 2. REGIONAL MEETINGS.**

~~Regular regional meetings shall be held each year. Each regional meeting shall be called and presided over by the Director for the region, or in his absence by someone selected by the MEMBERS present. The Secretary-Treasurer shall call each regional meeting. The President shall preside over the meeting, unless he or she delegates that duty to the Regional Director. The same notice and quorum requirements as used for full Association meetings will be applied to each regional meeting.~~

1. *Suggest changing the wording of the following section to comply with the Washington, D.C. statutes ~~it~~ state it takes a majority vote of the Board to call a special meeting. It also states that the Secretary-Treasurer must call the meeting within 30 days.*
- 

#### **ARTICLE II, SECTION 3. SPECIAL MEETINGS.**

Special meetings of the Association may be called demanded by the President, a majority vote of the Board of Directors, the Executive Committee, or upon a written request petition signed by at least ten (10) percent of the MEMBERS, and it shall thereupon be the duty of. It shall be the duty of the Secretary-Treasurer to cause notice of such meeting to be given as hereinafter provided to call such meetings to take place within thirty (30) days after such demand. Special meetings of the Association may be held at any place specified in the notice of the special meeting.

1. *Suggest rewriting the following section to conform to Washington, D.C. statutes which state that the Secretary-Treasurer has to send notices if there are Article of Incorporation changes. The Secretary-Treasurer also has to send notices for Special Meetings. The notices have to go to the last known address and at least 30 days prior to the meetings. This section presently states notice can be sent 10 days prior, that the Secretary-Treasurer can delegate it or the person calling the meeting can issue the notice, and states that notice can be delivered personally or by mail.*
  2. *Suggest deleting mention of waiver of notice, since it's included in Article VI, Waiver of Notice.*
-

- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

**ARTICLE II, SECTION 4. NOTICE OF ASSOCIATION MEETINGS ANNUAL, REGIONAL OR SPECIAL MEETINGS.**

~~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 to each MEMBER not less than ten (10) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary, or by the persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, in a sealed envelope addressed to the MEMBER at the MEMBER'S address as it appears on the records of the Association, with proper postage thereon prepaid. The failure of any MEMBER to receive notice of an annual meeting or special meeting of the Association shall not invalidate any action which may be taken by the MEMBERS at any such meeting, and any MEMBER may waive the notice required. The presence of a MEMBER at any meeting shall constitute a waiver of notice of such meeting, except in the case a MEMBER shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.~~

Notice of an annual meeting stating the place, day and hour of the meeting shall be sent by the Secretary-Treasurer at least thirty (30) days in advance of the meeting to each MEMBER at its last known address.

Notice of a meeting to consider amendments to the Articles of Incorporation stating the place, day and hour of the meeting shall be sent by the Secretary-Treasurer at least thirty (30) days in advance of the meeting to each MEMBER at its last known address, accompanied by the full text of the proposal and by that part of the Articles of Incorporation to be amended.

Notice of a regional meeting stating the place, day and hour of the meeting shall be sent by the Secretary-Treasurer at least thirty (30) days in advance of the meeting to each MEMBER of the Region at its last known address.

Notice of a special meeting stating the place, day and hour of the meeting shall be sent in accordance with Article II, Section 3, Special Meetings, to each MEMBER at its last known address and shall specify the purpose for which the meeting is called.

- 
1. *Suggest rewriting this section to clarify language.*
  2. *Suggest combining this Article's Sections 5. Quorum and 6. Voting and moving the 2nd sentence of the first paragraph to a separate third paragraph in this section.*
- 

**ARTICLE II, SECTION 5. QUORUM AND VOTING.**

~~Unless otherwise required in the Articles of Incorporation, the presence of voting delegates of at least five (5) percent of the MEMBERS of the Association shall constitute a quorum at all a meeting-s of the Association. In the event that less than a quorum as herein provided shall be present at any regular or special meeting, a majority of those present may adjourn the meeting from time to time without further notice.~~

- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

Each MEMBER shall be entitled to select either by vote of its membership or its board of directors, one of its members, directors/trustees, or employees to act as the voting delegate and one such person to act as the voting alternate of such MEMBER at the meetings of the Association.

If a quorum is not present when a meeting starts, then a majority of the MEMBERS at the meeting may adjourn the meeting.

*Suggest deleting the following section heading since it's now included in this Article's Section 5.*

#### **~~SECTION 6. VOTING~~**

Each MEMBER shall be entitled to one vote ~~and no more~~ on each matter submitted to a vote at a meeting ~~of the Association~~. Any voting delegate or alternate delegate, before participating in the a meeting, shall submit an instrument in writing, on a form provided by the Association, executed by the ~~President or Vice President and Secretary~~ appropriate officers of the MEMBER represented by him, ~~certifying that he or she has been selected to represent such MEMBER~~ certifying the authorized voting delegate and alternate delegate to represent the MEMBER at said meeting. In the event the voting delegate of a MEMBER is absent, or is unable or refuses to act, the alternate designated by such MEMBER shall act in his or her stead and shall cast the vote of such MEMBER. However, ~~if both the voting delegate and alternate of such MEMBER shall fail to act, then the President of such MEMBER may represent and cast the vote of such MEMBER as provided in Article I, Section 1 of these Bylaws.~~ The presiding officer shall determine, in the case of disputes, who shall be eligible to cast the vote of a MEMBER. No individual may represent more than one MEMBER and proxy voting is prohibited in all meetings. If a quorum is present, unless otherwise provided by law, in the Articles of Incorporation, or elsewhere in these Bylaws, the affirmative vote of a majority of the MEMBERS present at the meeting entitled to vote on the subject matter presented shall be the act of the MEMBERS.

*Suggest this section be deleted since it's not necessary under the Washington, D.C. statutes and the stated order is not always followed.*

#### **~~SECTION 7 6. ORDER OF BUSINESS.~~**

~~The order of business at the business session of the annual meeting of the Association, and so far as possible at all other meetings of the Association, shall be essentially as follows:~~

- ~~Enrollment and dDetermination of a quorum.~~
- ~~Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting, as the case may be.~~
- ~~Reading of unapproved minutes of previous meetings of the Association and the taking of necessary action thereon.~~

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- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

~~(d) Presentation and consideration of and acting upon reports of Officers, Directors and Committees.~~

~~(e) Unfinished business.~~

~~(f) New business.~~

~~(g) Adjournment.~~

**ARTICLE II, SECTION 8 6. PARLIAMENTARY AUTHORITY.**

The rules contained in the then-current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with the Articles of Incorporation, these Bylaws, ~~and or~~ any special rules of order or procedure that the Association may adopt.

**ARTICLE III, BOARD OF DIRECTORS**

- 
- 1. Suggest deleting "Number and" from this section's heading, since the number is not included in this section but is in this Article's Section 3. Number, Qualifications and Term of Office.*
  - 2. Suggest using the more commonly used term "sets" the general direction instead of "manages."*
- 

**ARTICLE III, SECTION 1. NUMBER AND GENERAL POWERS.**

The Association's general direction shall be managed set by a the Board of Directors.

- 
- 1. Suggest deleting mention of Puerto Rico in Region II, since we do not have members there.*
  - 2. Suggest that the Board be given the authority to assign U.S. possessions to Regions.*
- 

**ARTICLE III, SECTION 2. REGIONS REPRESENTED.**

The United States, ~~its territories and possessions~~ shall be divided into ten (10) regions ("Regions") as follows:

- |                                 |  |
|---------------------------------|--|
| Region <del>I</del> <u>1</u>    | Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia |
| Region <del>II</del> <u>2</u>   | Florida, Georgia, South Carolina, <del>Puerto Rico</del>   |
| Region <del>III</del> <u>3</u>  | Alabama, Kentucky, Mississippi, Tennessee  |
| Region <del>IV</del> <u>4</u>   | Indiana, Michigan, Ohio  |
| Region <del>V</del> <u>5</u>    | Illinois, Iowa, Wisconsin  |
| Region <del>VI</del> <u>6</u>   | Minnesota, North Dakota, South Dakota  |
| Region <del>VII</del> <u>7</u>  | Colorado, Kansas, Nebraska, Utah   |
| Region <del>VIII</del> <u>8</u> | Arkansas, Louisiana, Missouri  |
| Region <del>XI</del> <u>9</u>   | Alaska, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington, Wyoming  |

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Region X 10 Arizona, New Mexico, Oklahoma, Texas.

The Board shall assign territories and possessions of the United States to Regions, as appropriate.

Suggest the two non-voting Commercial Company Advisers' information be included in this section.

**ARTICLE III, SECTION 3. DIRECTORS, NUMBER, QUALIFICATIONS AND TERM OF OFFICE.**

The Board of ~~Directors~~ shall consist of ten (10) voting Directors (also referred to in these Bylaws as "Regional Directors"). ~~One of the~~ Directors shall be elected from each of the above Regions in which are located one or more MEMBERS of the Association. The person elected to serve on the Board of Directors as a Regional Director must be a member, director/trustee, officer or bona fide employee of a MEMBER classified under Article I, Section 1. (a) and said MEMBER must be in good standing in the Association ~~for the person to be eligible to serve on the Board of~~ Directors. Regional Directors shall be elected for a term of three (3) years and shall hold office until resignation, removal, death, or their successors are elected and seated. A Regional Director may resign the office by the execution of a written instrument.

The Board shall have two (2) non-voting Commercial Company advisory seats.

*Suggest deleting first paragraph of following section since second paragraph gives better explanation. The Director needs to be elected before the Sunday morning Board meeting which is held before the annual meeting technically starts.*

*2. Suggest deleting the last sentence of the second paragraph regarding replacing Regional Directors due to death or resignation since that's covered under this Article's proposed new Section 9, Vacancies.*

**ARTICLE III, SECTION 4. ELECTION OF REGIONAL DIRECTORS.**

~~The MEMBERS of each region shall elect before the annual meeting the member of the Board of Directors from such region provided; however, if no such Director has been elected at the time of the annual meeting, the MEMBERS present from such region at the beginning of the annual meeting shall elect a Director from their region.~~

The MEMBERS of each Region shall elect the Regional Directors according to election procedures approved by the Board and in a manner consistent with applicable law, the Articles of Incorporation and these Bylaws. Subject to the Articles of Incorporation and these Bylaws, each Region shall be the judge of the qualifications of the individual elected as the its Regional Director. ~~Directors shall serve for a period beginning with~~ A full three-year Regional Director's term shall begin at the time the new Regional Director is seated during the organizational meeting of the Board of Directors held at the annual meeting during or immediately following their his or her elections and until the organization meeting of the Board of Directors held during or immediately following the annual meeting coincident with the expiration of their terms or until a successor is elected and qualified. A full three-year Regional Director's term shall end when his or her replacement is seated. ~~In the event of death or resignation of a Director, then the~~

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~~President of the Association shall appoint a Director from such region to act until the MEMBERS of the region elect a Director to serve the unexpired term.~~

*Suggest moving the following paragraph from this Article's Section 5. Meetings and placing it here as it pertains to the Regional Directors being qualified once they have been elected.*

[Moved from Article III, Section 5]: All Regional Directors-elect shall be conclusively presumed to have qualified when they present themselves at the organizational meeting of the Board of Directors. Should any Regional Director-elect be prevented from attending the organizational meeting of the Board, for good and sufficient cause to be determined by the Board, he or she shall be conclusively presumed to have qualified at said organizational meeting if he or she shall file a certification with the President showing the cause of nonattendance, and stating that he or she does accept the office to which he or she has been elected, and provided said certification is approved by the Board of Directors.

- 1. Suggest deleting the clause in the first sentence regarding not giving notice for the Board meeting held at the annual meeting since we give notice for all Board meetings.*
- 2. Suggest deleting last part of first sentence regarding calling a Board meeting in the absence of an annual meeting, since it's unclear as written when it would be called and Washington, D.C. statutes state there has to be an annual meeting.*

### ARTICLE III, SECTION 5. MEETINGS.

A regular meeting of the Board of Directors shall be held ~~without notice other than this Bylaw~~ immediately prior to, during or immediately following and at the same place as the annual meeting of the Association; ~~or, in the absence of an annual meeting of the Association in any particular year, the President shall call a meeting of the Board of Directors to be held within 60 days after the date for such annual meeting and shall give them at least ten (10) days' notice.~~ There shall be at least one other meeting of the Board of Directors each year. ~~on call of the President or 20% of the Board of Directors.~~

*Suggest deleting the following paragraph for newly elected Directors expenses since we do not pay any Board members' expenses to attend the annual meeting's Board meeting.*

~~The expenses of newly elected individuals on the Board of Directors shall not be paid by the Association for attendance at annual meetings at which they qualify for their positions.~~

*Suggest deleting references to other expenses of the Board, since the Board determines its expense reimbursement through policy and no other reimbursement or compensation is mentioned in the Bylaws.*

~~Other expense reimbursement of the Board of Directors or fees will be for such purposes in such amounts as is determined from time to time by the Board of Directors.~~

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---

*Suggest moving the following paragraph to the last paragraph of Section 4. of this article, Election of Regional Directors.*

---

[Moved to Article III, Section 4: All directors-elect shall be conclusively presumed to have qualified when they present themselves at the organization meeting of the Board of Directors. Should any director-elect be prevented from attending the organization meeting of the Board of Directors, for good and sufficient cause to be determined by the Board, he or she shall be conclusively presumed to have qualified at said organization meeting if he or she shall file a certification with the President showing the cause of nonattendance, and stating that he or she does accept the office to which he or she has been elected, and provided said certification is approved by the Board of Directors.]

---

*Suggest rewriting this section to clarify language.*

---

**ARTICLE III, SECTION 6. QUORUM.**

A majority of the ~~Board of Directors~~ Regional Directors shall constitute a quorum for the transaction of business at any Board meeting, ~~provided that if less than a majority are present at said meeting, a majority of those present may adjourn from time to time without further notice.~~ If a quorum is not present when a meeting starts, then a majority of the Regional Directors at the meeting may adjourn the meeting.

**ARTICLE III, SECTION 7. MANNER OF ACTING.**

The action of the majority of Regional Directors of the Board at meetings at which a quorum is present shall be the act of the ~~Board of Directors~~.

---

*Suggest adding language concerning notifying the Regional Director of meeting.*

---

**ARTICLE III, SECTION 8. REMOVAL.**

A Regional Director may be removed with or without cause, by a vote of two-thirds (2/3) of the MEMBERS voting at a regular or special Association meeting. ~~, provided that the Director shall have an opportunity to be heard at such meeting.~~ The Regional Director shall be informed thereof in writing at least thirty (30) days in advance of the meeting at which such a vote is scheduled to take place, and shall have an opportunity to be heard in person or by counsel at said meeting.

- 
- 1. Suggest creating the following section to replace the last sentence of the second paragraph of this Article's Section 4., Election of Regional Directors.*
  - 2. Suggest separating the vacancy of a Director by removal from a vacancy by death or resignation since Washington, D.C. statutes require that removal of a Regional Director be treated differently than the death or resignation of one.*
-

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### ARTICLE III, SECTION 9. VACANCIES.

In the event of the death or resignation of a Regional Director, the Board shall appoint an individual from such Region to act until the MEMBERS of the Region elect a Regional Director to serve the remainder of the term.

In the event of a Regional Director's removal, the vacancy shall be filled by the vote provided in Section 4. of this Article. The person elected shall serve the remainder of the term of the removed Director. The Secretary-Treasurer shall call and the President shall preside at the meeting called to fill the vacancy.

- 1. Suggests creating the following section by moving it from Article IV, Officers, Section 8., Executive Vice President to this section, since the EVP is not an officer.*
- 2. Suggest changing the EVP's title to the more commonly used term "Chief Executive Officer."*

### ARTICLE III, SECTION 10. EXECUTIVE VICE PRESIDENT APPOINTMENT OF CHIEF EXECUTIVE OFFICER.

[Moved from Article IV, Section 8.] The Board of Directors may appoint an ~~Executive Vice President~~ Chief Executive Officer who shall perform such duties and have such authority as the Board may vest in him or her. ~~The Executive Vice President shall perform such duties as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.~~

*Suggest clarifying that the Board establishes committees and selects committee personnel or delegates that authority.*

### ARTICLE III, SECTION 9 11. COMMITTEES.

~~The Board of Directors, in addition to other powers and authorities granted to it by law and these Bylaws, is authorized to create such working committees as it may deem proper and to define the duties and prescribe the authority which such committees may exercise. The personnel of all such committees shall be selected by the Board of Directors or the authority to select committee personnel shall be specifically delegated.~~

The Board may establish committees, either member or Board, and select personnel for such committees or delegate that authority.

*Suggest creating the new Section 12 below by moving it from Article IV, Officers, Section 10. Reports and changing it to say that the Board will give reports instead of just officers.*

### ARTICLE III, SECTION 11 12. REPORTS.

[Moved from Article IV, Section 10.] ~~The officers of the Association Board shall cause to be submitted at the business session of each annual meeting of the Association reports covering the business of the Association for the previous fiscal year and showing its the condition of the Association at the close of such fiscal year.~~

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## ARTICLE IV, OFFICERS

### ARTICLE IV, SECTION 1. NUMBER.

The officers of the Association shall be a President, Vice President, ~~and~~ Secretary-Treasurer and such other officers as may be determined from time to time by the ~~Board of~~ Regional Directors.

### ARTICLE IV, SECTION 2. ELECTION AND TERM OF OFFICE.

The officers shall be elected by the ~~Board of~~ Regional Directors at a the organizational meeting of the ~~Board of Directors~~ held immediately prior to, during or immediately after each annual meeting ~~of the Association~~. The President, Vice President and Secretary-Treasurer must be elected from the Regional Directors and shall continue to serve as voting members of the Board on the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as possible.

Each officer shall hold office until the organizational meeting of the ~~Board of Directors~~ held immediately prior to, during or immediately following the next ~~succeeding~~ annual meeting ~~of the Association~~, or until his or her successor shall have been duly elected and shall have qualified, subject to the provisions of these Bylaws with respect to the removal of officers.

---

*Suggest removing first sentence regarding "agent" since this Article is about officers.*

---

### ARTICLE IV, SECTION 3. REMOVAL.

~~Any agent elected or appointed by the Board of Directors may be removed by majority vote of the Board of Directors whenever in its judgment the best interests of the Association would be served thereby.~~

An officer may be removed with or without cause, by a vote of two-thirds (2/3) of the MEMBERS voting at a regular or special Association meeting ~~provided that the officer shall have an opportunity to be heard at such meeting~~. The officer shall be informed thereof in writing at least thirty (30) days in advance of the meeting and shall have an opportunity to be heard in person or by counsel at said meeting.

### ARTICLE IV, SECTION 4. VACANCIES.

~~Except as otherwise provided in these Bylaws, a~~ A vacancy due to death or resignation in any office may be filled by ~~the President~~ and from the remaining Regional Directors for the ~~unexpired portion~~ remainder of the term.

In the event of an officer's removal, his/her vacancy shall be filled in accordance with Section 2. of this Article.

### ARTICLE IV, SECTION 5. PRESIDENT.

The President shall:

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- (a) shall be the ~~principal executive~~ chief elected officer of the Association and shall preside at all meetings of the Association and of the Board of Directors unless he or she delegates that duty;
- (b) shall sign ~~with the Secretary certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Directors, and may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and~~
- (c) ~~in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time; and~~

---

*Suggest removing mention of Executive Committee if it's deleted from these Bylaws.*

---

- (d) shall be ~~chairman of the Executive Committee.~~

#### ARTICLE IV, SECTION 6. VICE PRESIDENT.

In the absence of the President for meetings of the Association, or the Board of Directors, ~~or the Executive Committee~~, or in the event of his ~~or her~~ the President's death, removal, or resignation, or when specifically directed by the President, the Vice President shall perform the duties of the President and, when so acting, shall have the powers of and be subject to all the restrictions upon the President and shall perform such other duties as from time to time may be assigned to him by the Board of Directors.

---

*Suggest deleting mention of notices of annual and regional meetings in following paragraph since meeting notices are now delineated in Article II, Section 4.*

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#### ARTICLE IV, SECTION 7. SECRETARY-TREASURER.

The Secretary-Treasurer shall be responsible for:

- (a) ~~signing, with the President, certificates of membership, the issuance of which shall have been authorized by resolution of the Board of Directors;~~
- (a)(b) seeing that all notices are duly given in accordance with these Bylaws or as required by law, ~~including all notices of annual and regional meetings required to be held by these Bylaws;~~
- (b)(c) keeping on file at all times a complete copy of the Articles of Incorporation and the Bylaws of the Association containing all amendments thereto, which copy shall always be open to the inspection of any member and, at the expense of the Association, forward

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make available a copy of the Articles of Incorporation and Bylaws and of all amendments thereto to each ~~MEMBER~~ member; and

~~(c)(d)~~ in-general performing all the duties incident to the office of the Secretary-Treasurer and such other duties as from time to time may be assigned by the Board of ~~Directors~~.

---

*Suggest moving EVP section to Article III, Board of Directors, Section 10. Appointment of Chief Executive Officer.*

---

[Moved to Article III, Section 10]

~~ARTICLE IV, SECTION 8. EXECUTIVE VICE PRESIDENT.~~

The Board of Directors may appoint an Executive Vice President. The Executive Vice President shall perform such duties as the Board of Directors may from time to time require of him and shall have such authority as the Board of Directors may from time to time vest in him.]

---

*Suggest rewriting the following section to comply with D.C. statutes.*

---

ARTICLE IV, SECTION 9. BONDS OF OFFICERS.

~~The Board of Directors shall require any officer or employee of the Association charged with responsibility for the custody of any of its funds or property to give bond in such sum as the Board of Directors shall determine and at the expense of the Association.~~

Every individual acting as an officer or employee of the association and handling funds or securities amounting to \$1,000 or more, in any one (1) year, shall be covered by adequate bond as determined by the Board, and at the expense of the Association.

---

*Suggest changing the following section to state the Board will give reports instead of officers and moving it to Article III, Board of Directors, Section 12. Reports.*

---

~~ARTICLE IV, SECTION 10. REPORTS.~~

[Moved to Article III, Section 12: The officers of the Association shall cause to be submitted at the business session of each annual meeting of the Association reports covering the business of the Association for the previous fiscal year and showing the condition of the Association at the close of such fiscal year.]

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*Suggest dissolving the Executive Committee since, with a small Board such as NTCA's, there is no need for an Executive Committee. The Executive Committee has not met or been functional for many years.*

---

**ARTICLE V  
EXECUTIVE COMMITTEE**

**~~SECTION 1. ESTABLISHMENT AND POWERS.~~**

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~~The Executive Committee shall act for and in the stead of the Board of Directors during the intervals between the meetings of the Board and shall perform such duties as directed under policies established by the Board, provided, however, no authority shall be conferred which is contrary to the Articles of Incorporation, these Bylaws or reserved to the MEMBERS.~~

#### **~~SECTION 2. COMPOSITION.~~**

~~The Executive Committee shall consist of 5 members and shall include the President, Vice President, Secretary Treasurer and two other individuals from the Board of Directors of the Association. The two members of the Board of Directors on the Executive Committee will be elected by the Board of Directors. The individuals on the Executive Committee shall be elected at the organization meeting of the Board of Directors and hold office until the organization meeting of the Board of Directors held during or immediately following the next succeeding annual meeting of the Association, or until successors shall have been duly elected, subject to the provisions of these Bylaws. In event of death, or resignation of an Executive Committeeperson, the President shall appoint a member of the Board of Directors to serve until a new Committeeperson is elected.~~

#### **~~SECTION 3. MEETINGS OF THE EXECUTIVE COMMITTEE.~~**

~~All Executive Committee meetings shall convene and meet at the call of the President or on call of a majority of the members of the Executive Committee.~~

#### **~~SECTION 4. RECORDS.~~**

~~The Executive Committee shall keep minutes of all its meetings and said minutes and reports of all its acts shall be open to be read by any Director during the Association's business hours. A copy of said minutes and reports shall be furnished each Director not later than fifteen (15) days after the date of any meeting.~~

#### **~~SECTION 5. NOTICE.~~**

~~Notice of the time, place and purpose of any meeting of the Executive Committee shall be given at least 10 days previous thereto, in writing, delivered personally or sent by United States mail to each member of said Executive Committee at his or her last known address. After mailing such notice it shall be deemed to be delivered when deposited in the United States mail, properly addressed and with proper postage thereon, prepaid. The attendance of a member of the Executive Committee at any meeting shall constitute a waiver of notice of such meeting, except in case a member of the Executive Committee shall attend a meeting for the express purpose of objecting to the transaction of any business because the meeting shall not have been lawfully called or convened.~~

### **ARTICLE VI V, CONTRACTS, CHECKS AND DEPOSITS**

#### **ARTICLE V, SECTION 1. CONTRACTS.**

Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the

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name and on behalf of the Association, and such authority may be general or confined to specific instances.

**ARTICLE V, SECTION 2. CHECKS, DRAFTS, ETC.**

All checks, drafts or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, or employee or employees of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**ARTICLE V, SECTION 3. DEPOSITS.**

All funds of the Association shall be deposited from time to time to the credit of the Association in such bank or banks as the Board of Directors may select.

**ARTICLE ~~VH~~ VI, WAIVER OF NOTICE**

---

*Suggest rewriting following paragraph to cover waiver of notices for all meetings.*

---

Any MEMBER ~~director or officer~~ may waive, in writing, before or after the a meeting any notice of the meetings required to be given by these Bylaws. The failure of any MEMBER to receive notice of a meeting shall not invalidate any action which may be taken by the MEMBERS at any such meeting and any MEMBER may waive the notice required. The presence of a MEMBER at any meeting shall constitute a waiver of notice of such meeting, except in the case of a MEMBER attending a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

**ARTICLE ~~VH~~ VII, ALLOCATION AND DISTRIBUTION OF NET SAVINGS**

At the close of each fiscal year, the net savings of the Association, if any, shall be allocated in the following order:

---

*Suggest changing the term "Contingent Reserve" to "reserve fund," since we do not have a fund titled contingent reserve. Rather than having to change the Bylaws if accounting terms change in the future, we suggest using the term reserve fund, which is what the Washington, D.C. statutes call the required fund.*

---

- (a) There shall be transferred to a ~~fund to be known as the "Contigent Reserve"~~ reserve fund such amounts as the Board of Directors may determine, which fund may be used under the direction of the Board of Directors for any ~~necessary or approved activity of the~~ Association.

---

*Suggest this subsection be rewritten to comply with IRS rules that require if returning money to members, it has to be on a pro rata basis to all members that contributed.*

---

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- (b) Any remaining funds may, in the discretion of the Board of Directors, be repaid to the ~~MEMBERS~~ members of the Association in proportion to the amounts which each such ~~MEMBERS~~ member has paid to the Association during the preceding fiscal year as annual dues.

*Suggest deleting the following subsection since the Board does not write off these types of accounts. Write offs are done in the normal course of business according to generally accepted accounting principals.*

- (c) ~~Insolvent or uncollectible accounts receivable may be written off by the Board of Directors.~~

### ARTICLE IX VIII, INDEMNIFICATION

*Suggest rewriting this section for better clarity.*

~~Every director, officer, former director or former officer of the Association or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor shall be indemnified by the Association against all expenses, including attorneys' fees, liabilities, amounts paid in compromise and settlement of any such action or threatened action reasonably incurred or imposed upon him or her in connection with any proceeding, civil, criminal, administrative or investigative, of which he or she may be made a party, or threatened to be made a party, provided such person acted in good faith and in a manner reasonably believed to be in the best interests of the Association, except in relation to matters as to which such director, officer, former director or former officer shall be adjudged in such action, suit or proceeding, to be liable for negligence or misconduct in the performance of duty.~~

~~Amounts of individual indemnification shall be authorized by the Board of Directors. Any affected person hereunder may request the advance for expenses as may be actually incurred or reasonably necessary to be incurred in the preparation and/or defense of such action or threatened action. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any agreement, vote of MEMBERS of the Association, or otherwise.~~

~~The Association may purchase at its expense, as an operating expense, and maintain insurance on behalf of any person designated hereunder to help compensate all or any part of the liability or expenses incurred or expected to be incurred.~~

The personal liability of any person serving or having served as an Officer, Director, Commercial Company Adviser, committee member, or employee of the Association is hereby eliminated to the fullest extent permitted by District of Columbia law and by applicable law. The Association shall indemnify and hold harmless each such Officer, Director, Commercial Company Adviser, committee member, or employee of the Association from and against any and all liabilities, costs

- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

and expenses (including attorneys' fees and expenses) reasonably incurred by him or her, or on his or her behalf, in connection with any civil action or proceeding to which he or she may be a party by reason of his or her being or having been an Officer, Director, Commercial Company Adviser, committee member, or employee of the Association, or by reason of any action alleged to have been taken or omitted by him or her in such capacity, except where the injury or damage was a result of: (i) the willful misconduct of such person; (ii) a crime, unless such person had reasonable cause to believe that the act was lawful; (iii) a transaction that resulted in an improper personal benefit of money, property or services to such person; or (iv) an act or omission that was not in good faith and was beyond the scope of authority of the Association pursuant to the Act, the Association's Articles of Incorporation, or these Bylaws. Such indemnity shall be effective only in the event that the interested Officer, Director, Commercial Company Adviser, committee member, or employee provides the Board of Directors, within a reasonable time after the institution of such action or proceeding, written notice thereof. Such indemnity shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement or otherwise. Such indemnity shall inure to the benefit of the heirs, executors and administrators of each Officer, Director, Commercial Company Adviser, committee member, or employee. The Association may purchase liability insurance for the indemnity specified above to the fullest extent as determined from time to time by the Board.

#### ARTICLE X- IX, BORROWING MONEY

*Suggest rewriting this section for better clarity.*

~~The Board of Directors, without authorization by the MEMBERS, shall have the full power and authority to borrow money from the United States of America, or any agency or instrumentality thereof, or any bank or individual, and in connection with such borrowing to authorize the making and issuance of bonds, notes, or other evidences of indebtedness and, to secure the payment therefore, to authorize the execution and delivery of a mortgage or mortgages, or a deed or deeds of trust upon, or the pledging or encumbrancing of any or all the property, assets, rights, privileges, licenses, franchises, and permits of the Association whether acquired or to be acquired, and wherever situated, all upon such terms and conditions as the Board of Directors shall determine; provided further, however, that notwithstanding anything herein contained, the Board of Directors, without authorization by the MEMBERS, shall have full power and authority to lease any or all of the corporate property to the United States of America or any agency or instrumentality thereof.~~

The Board shall have the authority to contract for debt and, if necessary, secure any indebtedness with property owned by the Association.

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- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Bylaws must comply with them.

#### ARTICLE ~~XI~~ X, FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January of each year and end on the thirty-first day of December of the same year. Any membership dues payable during the fiscal year are allocatable and expendable during that year.

#### ARTICLE ~~XII~~ XI, SEAL

The corporate seal of the Association shall be in the form of a circle and shall have inscribed thereon the name of the Association and the words; "Seal, Washington, D.C."

---

*Suggest deleting this section since, per legal counsel, it is not legally enforceable.*

---

#### ARTICLE ~~XII~~, IRREGULARITIES

~~Irregularities in the giving of any notice or the holding of any meeting provided for in these Bylaws shall not invalidate any action taken at such meeting.~~

#### ARTICLE ~~XIV~~ XII, AMENDMENTS

These Bylaws may be altered, amended or repealed by the affirmative vote of not less than two-thirds (2/3) of the MEMBERS present and voting at any regular or special meeting, provided that the official notice of such regular or special meeting shall contain a copy of the proposed alteration, amendment or repeal.

The Board of Directors is charged with the responsibility of the consideration, proposal and presentation of any Bylaw changes, amendments or alterations.

After any alteration, amendment or repeal of these Bylaws has been adopted, all MEMBERS shall be notified of such action as soon as is conveniently possible.

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- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Articles must comply with them.
- \* Please note, per Washington, D.C. statutes, the actual Articles of Incorporation cannot be changed. Any change to the Articles requires an Articles of Amendment. Attached to these Articles of Incorporation is a February 14, 2002 Articles of Amendment changing the word Telephone in NTCA's name to Telecommunications; said Amendment has been recorded with the Washington, D.C. government.
- \* Once approved by the voting members, the following changes will be stated in an Articles of Amendment and recorded with the Washington, D.C. government.

## ARTICLES OF INCORPORATION OF

### NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

We, the undersigned, five or more natural persons, of the age of 21 years or more, do hereby voluntarily associate ourselves together and form a non-profit corporation under the District of Columbia Cooperative Association Act (June 19, 1940, 54 Stat., Chapt. 397, Section 47), and to that end duly adopt and acknowledge the following Articles of Incorporation:

#### ARTICLE I

*Suggest updating the Association's purpose to reflect our current direction and business practices.*

The purpose of this Association shall be:

~~1. To engage in the compilation and dissemination of information with respect to telephony and the furnishing of other services to telephone cooperatives and others in connection with the coordination, advancement and development of telephone facilities in the United States of America, its territories and possessions, for the primary and mutual benefit of the patrons, as ultimate subscribers and the furnishing of services to its members in the telecommunications industry.~~

The powers of the Association shall be those set forth in the Act and shall be exercised by the Association's Board of Directors in accordance with the purpose and provisions of the Act, the Association's ~~a~~Articles and ~~by-laws~~ Bylaws and the decision of its membership meetings and in pursuance of its purposes.

#### ARTICLE II

The name of the Association shall be "National Telephone Cooperative Association."

#### ARTICLE III

The term of existence of the Association shall be perpetual.

- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
- \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Articles must comply with them.
- \* Please note, per Washington, D.C. statutes, the actual Articles of Incorporation cannot be changed. Any change to the Articles requires an Articles of Amendment. Attached to these Articles of Incorporation is a February 14, 2002 Articles of Amendment changing the word Telephone in NTCA's name to Telecommunications; said Amendment has been recorded with the Washington, D.C. government.
- \* Once approved by the voting members, the following changes will be stated in an Articles of Amendment and recorded with the Washington, D.C. government.

#### ARTICLE IV

The principal office of the Association shall be located at 1303 New Hampshire Avenue, N.W., in the City of Washington, District of Columbia.

#### ARTICLE V

The names and addresses of the Incorporators of the Association are as follows:

E. R. Britt, Swainsboro, Georgia.  
Carol Claggett, Bethel, Missouri.  
Glenn Bergland, Thompson, Iowa.  
George J. Werner, Houston, Minnesota.  
W. H. Copley, South Hill, Virginia.  
Henry M. Faris, Laurens, South Carolina.  
George L. Jackson, Dawson, North Dakota.

#### ARTICLE VI

The names and addresses of the directors who shall manage the affairs of the Association for the first year, unless sooner changed by the members, are as follows:

E. R. Britt, Swainsboro, Georgia.  
Carol Claggett, Bethel, Missouri.  
Glenn Bergland, Thompson, Iowa.  
W. H. Copley, South Hill, Virginia.  
Henry M. Faris, Laurens, South Carolina.  
George L. Jackson, Dawson, North Dakota.  
George J. Werner, Houston, Minnesota.

- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
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- \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Articles must comply with them.
- \* Please note, per Washington, D.C. statutes, the actual Articles of Incorporation cannot be changed. Any change to the Articles requires an Articles of Amendment. Attached to these Articles of Incorporation is a February 14, 2002 Articles of Amendment changing the word Telephone in NTCA's name to Telecommunications; said Amendment has been recorded with the Washington, D.C. government.
- \* Once approved by the voting members, the following changes will be stated in an Articles of Amendment and recorded with the Washington, D.C. government.

## ARTICLE VII

The Association is organized without shares and the number of memberships subscribed for is seven.

## ARTICLE VIII

The property rights of members in this Association shall be equal.

## ARTICLE IX

In the event of the dissolution of this Association, its assets shall be distributed in the following manner and order:

1. By paying its debts and expenses.

---

*Suggest deleting membership certificates since these are not used.*

---

- ~~2. By returning to the members of the Association the par value of their membership certificates.~~

---

*Suggest rewriting the following paragraph. Washington, D.C. statutes state that upon dissolution a surplus must be distributed (1) among members that have been members at any time during the past six years on the basis of their patronage during that period of time or (2) as a gift to a consumers' cooperative association or other nonprofit enterprise. However, federal tax laws are not clear as to how (1) can be accomplished, therefore, our attorneys' advise the following language which complies with the Washington, D.C. statutes and federal tax laws.*

---

- ~~2. 3. By distributing the surplus to all of the telephone cooperatives that are members of this Association at the time of such dissolution, on a pro-rata basis in proportion to the payments made by each such member cooperative during the twelve months preceding the date of dissolution.~~

By distributing any remaining surplus as a gift to any consumers' cooperative association or other nonprofit enterprise for one (1) or more exempt purposes within the meaning of Section 501(c)(6) or Section 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended or supplemented.

IN WITNESS WHEREOF, the incorporators have hereunto signed their names this the 1<sup>st</sup> day of June, 1954.

E.R. Britt  
Carol Claggett

- 
- \* Explanations to members of proposed changes are in *italics within lines* preceding the changes.
  - \* Proposed deleted language is ~~struck through~~ and new language is double underlined.
  - \* Please note, since NTCA is incorporated under the Washington, D.C. statutes, our Articles must comply with them.
  - \* Please note, per Washington, D.C. statutes, the actual Articles of Incorporation cannot be changed. Any change to the Articles requires an Articles of Amendment. Attached to these Articles of Incorporation is a February 14, 2002 Articles of Amendment changing the word Telephone in NTCA's name to Telecommunications; said Amendment has been recorded with the Washington, D.C. government.
  - \* Once approved by the voting members, the following changes will be stated in an Articles of Amendment and recorded with the Washington, D.C. government.
- 

W.H. Copley  
Henry M. Faris  
Glenn Bergland  
George J. Werner  
George L. Jackson

DARIUS N. BROWN  
ATTORNEY AT LAW  
P.O. BOX 243  
SWAINSBORO, GEORGIA

**Articles of Amendment**

of

**NATIONAL TELEPHONE COOPERATIVE ASSOCIATION**

National Telephone Cooperative Association, a District of Columbia nonprofit corporation formed under the District of Columbia Cooperative Association Act (June 19, 1940, 54 Stat., Chapt. 397, Sect. 47) (hereinafter, the "Association"),

DOES HEREBY CERTIFY THAT:

1. "National Telephone Cooperative Association" is the name under which the Association was originally incorporated in the District of Columbia, and the date of filing of the original Articles of Incorporation of the Association with the Mayor of the District of Columbia is June 1, 1954.
2. The Articles of Incorporation of the Association are hereby amended by:
  - (i) Deleting the word "Telephone" in the title and inserting in lieu thereof the word "Telecommunications" making the title read "National Telecommunications Cooperative Association."
  - (ii) Deleting the word "Telephone" in Article II and inserting in lieu thereof the word "Telecommunications" making the Article read "National Telecommunications Cooperative Association."
3. The amendment herein certified has been duly approved at a meeting of the members of the Association entitled to vote with respect thereto, dated, February 14, 2002, setting forth the proposed amendment in accordance with the provisions of Section 29-907 of the District of Columbia Cooperative Association Act, and whereat a quorum of members was present in person. The Board of Directors unanimously recommended at its meeting on November 15-16, 2001 the amendment for approval by the members and directed that it be submitted to a vote of the members at the February 14, 2002 business session meeting of the Association, and thereafter at least two-thirds of the members submitted affirmative votes in favor of the amendments.
4. Due Notice of such meeting setting forth the proposed amendment was given to each member entitled to vote at such meeting.

\* \* \* \* \*



National Telecommunications Cooperative Association  
and Subsidiaries

Consolidated Financial Statements  
and Other Financial Information

*Years ended December 31, 2008 and 2007  
with Report of Independent Auditors*

National Telecommunications Cooperative Association  
and Subsidiaries

Consolidated Financial Statements  
and Other Financial Information

Years ended December 31, 2008 and 2007

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## Report of Independent Auditors

Board of Directors  
National Telecommunications Cooperative Association and Subsidiaries

We have audited the accompanying consolidated statements of financial position of the National Telecommunications Cooperative Association and Subsidiaries (the Association) as of December 31, 2008 and 2007, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the National Telecommunications Cooperative Association and Subsidiaries at December 31, 2008 and 2007, and the consolidated changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Johnson Lambert & Co LLP*

Falls Church, Virginia  
May 11, 2009

National Telecommunications Cooperative Association and Subsidiaries

Consolidated Statements of Financial Position

	December 31,	
	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,090,700	\$ 2,082,057
Investments, at fair value	20,402,139	22,326,095
Accrued interest receivable	535	2,307
Accounts receivable from members, net of allowance for doubtful accounts of \$4,809 and \$2,723, respectively	162,960	137,600
Due from benefit plans of NTCA and its members	855	144,813
Contributions receivable, net	8,760	12,110
Deferred Compensation Plans net assets:		
Employees of NTCA and affiliate	1,563,091	1,758,133
Employees of NTCA members	3,563,193	3,744,022
Other receivables	394,360	565,114
Investment in National Telcom Corporation, at cost	144,000	144,000
Investment in joint venture	66,569	1,100,000
Prepaid and other assets	1,473,780	1,519,018
Property and equipment:		
Furniture and equipment	5,009,458	4,780,294
Accumulated depreciation	<u>(3,699,607)</u>	<u>(3,484,623)</u>
	<u>1,309,851</u>	<u>1,295,671</u>
Total assets	<u>\$ 32,180,793</u>	<u>\$ 34,830,940</u>

- Continued -

National Telecommunications Cooperative Association and Subsidiaries

Consolidated Statements of Financial Position (Continued)

	December 31,	
	<u>2008</u>	<u>2007</u>
<b>Liabilities and net assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,681,346	\$ 1,882,117
Due to benefit plans of NTCA and its members	308,413	31,696
Deferred dues income	1,627,776	1,429,202
Deferred video litigation income	6,802	23,514
Deferred Coalition to Keep America Connected income	-	141,406
Deferred joint project income	-	85,716
Payments and contributions received in advance	1,830,854	1,650,450
Supplemental accrued retirement benefits	463,623	607,319
Deferred Compensation Plans liabilities:		
Employees of NTCA and affiliate	1,563,091	1,758,133
Employees of NTCA members	<u>3,563,193</u>	<u>3,744,022</u>
Total liabilities	11,045,098	11,353,575
Net assets:		
Undesignated net assets	13,665,301	15,960,311
Board designated net assets	<u>6,271,918</u>	<u>6,271,918</u>
Total unrestricted net assets	19,937,219	22,232,229
Temporarily restricted net assets	<u>1,198,476</u>	<u>1,245,136</u>
Total net assets	<u>21,135,695</u>	<u>23,477,365</u>
Total liabilities and net assets	<u>\$ 32,180,793</u>	<u>\$ 34,830,940</u>

See accompanying notes to consolidated financial statements.

# National Telecommunications Cooperative Association and Subsidiaries

## Consolidated Statements of Activities

	Year ended December 31,	
	2008	2007
<b>Change in unrestricted net assets</b>		
<i>Income:</i>		
Member dues	\$ 4,557,102	\$ 4,643,429
Administrative and management fees	11,886,918	11,541,448
Member services	2,061,544	1,930,896
FAS 106 services	394,100	428,900
Section 125 services	424,660	432,791
Conferences and meetings	3,944,923	4,326,268
Business development	117,064	121,834
Domestic and international consulting	34,269	52,716
Investment income	852,866	883,332
Net realized and unrealized (loss) gain on investments	(2,086,620)	430,373
Loss on joint venture	(944,707)	-
Federal grants	-	7,844
Other	142,587	169,016
	21,384,706	24,968,847
Net assets released from restriction	925,785	1,566,186
	22,310,491	26,535,033
<i>Expenses:</i>		
Salaries and related costs	15,300,234	14,798,452
Building and rent	2,201,475	2,116,413
Travel and entertainment	606,722	575,036
Conferences and meetings	1,547,723	1,520,565
Member services	993,088	1,081,643
Business development	77,656	97,588
Domestic and international consulting	16,908	14,538
Youth Tour	103,861	105,409
Board of Directors	294,878	306,307
Direct fundraising events costs	199,529	202,426
Telecommunications and postage	283,474	276,226
Information technology & claims processing	1,050,607	1,066,134
Supplies	145,461	137,722
Professional services	349,014	278,911
Corporate tax	225,263	93,628
Federal grants	-	7,844
Contributed services	40,500	56,800
Other	1,169,108	2,143,734
	24,605,501	24,879,376
Change in unrestricted net assets	(2,295,010)	1,655,657

- Continued -

National Telecommunications Cooperative Association and Subsidiaries

Consolidated Statements of Activities (Continued)

	Year ended December 31,	
	<u>2008</u>	<u>2007</u>
<b>Changes in temporarily restricted net assets:</b>		
Foundation revenue	\$ 615,113	\$ 771,611
Contributions to Awareness Campaign	75,000	75,000
Contributions to Coalition to Keep America Connected	8,642	719,455
Contributions to Rural Telecommunications		
Administrative Fund	163,657	117,515
Contributions to video litigation	16,713	36,270
Net assets released from restriction	<u>(925,785)</u>	<u>(1,566,186)</u>
Change in temporarily restricted net assets	<u>(46,660)</u>	<u>153,665</u>
Total change in net assets	(2,341,670)	1,809,322
Net assets, beginning of year	<u>23,477,365</u>	<u>21,668,043</u>
Net assets, end of year	<u>\$ 21,135,695</u>	<u>\$ 23,477,365</u>

*See accompanying notes to consolidated financial statements.*

National Telecommunications Cooperative Association and Subsidiaries

Consolidated Statements of Cash Flows

	Year ended December 31,	
	<u>2008</u>	<u>2007</u>
<b>Cash flow from operating activities</b>		
Change in net assets	\$ (2,341,670)	\$ 1,809,322
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	490,737	495,993
Realized and unrealized losses (gains) on investments	2,086,620	(430,373)
Loss on joint venture	944,707	-
Loss on disposal of assets	2,856	29,658
Changes in net assets and liabilities:		
Accrued interest receivable	1,772	2,420
Accounts and other receivables	145,394	54,997
Due from benefit plans of NTCA and its members	143,958	20,972
Contributions receivable	3,350	14,491
Prepaid and other assets	133,962	(778,787)
Accounts payable and accrued expenses	(200,771)	356,553
Due to benefit plans of NTCA and its members	276,717	31,696
Deferred dues income	198,574	(339,090)
Deferred video litigation income	(16,712)	(36,270)
Deferred Coalition to Keep America Connected income	(141,406)	(644,491)
Deferred joint project income	(85,716)	39,222
Payments and contributions received in advance	180,404	215,447
Supplemental accrued retirement benefits	<u>(143,696)</u>	<u>(1,296)</u>
Net cash provided by operating activities	1,679,080	840,464
<b>Cash flow from investing activities</b>		
Purchases of furniture and equipment	(507,773)	(404,293)
Purchases of investments	(1,442,231)	(5,278,054)
Proceeds from sales of investments	<u>1,279,567</u>	<u>4,450,762</u>
Net cash used in investing activities	<u>(670,437)</u>	<u>(1,231,585)</u>
Change in cash and cash equivalents	1,008,643	(391,121)
Cash and cash equivalents, beginning of year	<u>2,082,057</u>	<u>2,473,178</u>
Cash and cash equivalents, end of year	<u>\$ 3,090,700</u>	<u>\$ 2,082,057</u>
Supplemental disclosures of cash flow information:		
Cash paid for income taxes	<u>\$ 100,438</u>	<u>\$ 215,109</u>

See accompanying notes to consolidated financial statements.

# National Telecommunications Cooperative Association and Subsidiaries

## Notes to Consolidated Financial Statements

Years ended December 31, 2008 and 2007

### **Note A - Summary of Significant Accounting Policies**

#### *Organization*

The National Telecommunications Cooperative Association (NTCA) is a nonprofit trade association that represents small, locally owned and controlled telephone cooperatives and companies throughout the United States. NTCA represents its members' interests before government and industry groups; implements education, training and information programs; and administers insurance and benefit plans for its employees and employees of its members.

NTCA owns 100% of the voting capital stock of Services Management Corporation (SMC). SMC performs the day-to-day administration of the NTCA-sponsored benefit plans and provides information technology services to NTCA.

The Foundation for Rural Service (the Foundation) was organized by NTCA in 1994 to inform and educate the public on the rural telecommunications industry and encourage economic development in rural areas. The Foundation's Board of Directors is appointed by the NTCA Board of Directors.

NTCA sponsors nonqualified deferred compensation plans (the Plans) for NTCA and certain member companies. The Plans accept funds that member companies set aside to meet their obligations, arrange for the investment of funds, and maintain accounts for each of the companies in the Plans. SMC provides management services for the Plans. The Plans' funds are invested primarily in fixed income and domestic equity mutual funds and money market funds.

#### *Basis of Presentation*

The consolidated financial statements include the accounts of NTCA, SMC, the Foundation, and the Plans. All intercompany accounts and transactions have been eliminated in consolidation.

#### *Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

#### *Cash and Cash Equivalents*

All highly liquid debt instruments purchased with original maturities of three months or less are considered cash equivalents.

# National Telecommunications Cooperative Association and Subsidiaries

## Notes to Consolidated Financial Statements (Continued)

### **Note A - Summary of Significant Accounting Policies (Continued)**

#### *Cash and Cash Equivalents (Continued)*

From time to time deposits in Federal Deposit Insurance Corporation (FDIC) insured institutions exceed the insurance limits. Management periodically reviews these institutions and the related deposits and does not believe that these concentrations expose NTCA and its affiliates to significant credit risk.

#### *Fair Value Measurement and Investments*

In September 2006, the Financial Accounting Standards Board issued Statements of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157). This standard defines fair value, establishes a framework and hierarchy that prioritizes the inputs for measuring fair value, and expands disclosure requirements about fair value measurement. NTCA adopted this standard in 2008.

The levels of the fair value hierarchy under SFAS 157 are as follows:

- Level 1: Observable, unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2: Quoted prices for similar assets or liabilities or inputs that are observable, either directly or indirectly, for substantially the full-term of the asset or liability through corroboration with observable market data.
- Level 3: Pricing inputs are unobservable and significant to the fair value measurement of the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Fair values for mutual funds and equity investments are determined through published market prices (Level 1). Deferred annuities and life insurance policies are recorded at their cash surrender values, which approximates fair value; the collective fund consists of holdings in a Barclays Global Investors (BGI) Collective Fund and is reported at fair value based on the unit prices as quoted by the fund, representing the fair value of the underlying securities in the fund (Level 2). The investments in National Telcom Corporation and the joint venture are held at cost.

Purchases and sales of securities are recorded on a trade-date basis. Net realized gains and losses on security sales are determined by specific identification of investments. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

# National Telecommunications Cooperative Association and Subsidiaries

## Notes to Consolidated Financial Statements (Continued)

### **Note A - Summary of Significant Accounting Policies (Continued)**

#### *Fair Value Measurement and Investments (Continued)*

When, in the opinion of management, a decline in the estimated fair value of an investment held at cost is considered to be other-than-temporary, the investment is written down to its estimated realizable fair value. The determination of an other-than-temporary decline in realizable fair value includes, in addition to other relevant factors, consideration of the nature of the investments, significant deterioration in the earnings performance, credit rating, or future prospects of the issuer. Any such writedowns are reported as impairment losses on assets in the statement of activities in the period of the determined loss.

#### *Contributions Receivable*

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises and intentions to give are not recorded as revenue until such time as the conditions are substantially met or intentions to give are determined. Amortization of the discount is included in contribution revenue.

#### *Property and Equipment*

Expenditures for property, furniture, fixtures and equipment are capitalized at cost, and depreciated or amortized using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Furniture, fixtures and artwork	10 years
Computer hardware	3 years
Other equipment and computer software	5 years
Tenant improvements	Life of lease

Expenditures for ordinary maintenance and repairs are expensed as incurred. Significant renovations and improvements, which extend the useful lives of the assets, are capitalized and depreciated over the estimated useful lives. Depreciation expense of \$490,737 and \$495,993 during 2008 and 2007, respectively, is included in building and rent and information technology expense.

#### *Deferred Income*

Deferred income consists of membership dues, meeting registration, sponsorships, and exhibit fees, Coalition to Keep America Connected contributions (the Coalition), joint project income and video litigation funds received in advance. Membership dues are recognized as revenue over the related membership period. Meeting registration and exhibit fees are recognized as revenue once the related event takes place. NTCA records a liability when funds are received for the Coalition and video litigation project, which have not been expended for these projects.

# National Telecommunications Cooperative Association and Subsidiaries

## Notes to Consolidated Financial Statements (Continued)

### **Note A - Summary of Significant Accounting Policies (Continued)**

#### *Net Assets*

##### *Unrestricted Funds*

###### NTCA

Funds that are generated from general activities and are used to support day-to-day programs and operations are unrestricted. From time to time, the Board of Directors may designate a portion of unrestricted net assets to be set aside for a specific purpose; however, board designated net assets are classified as unrestricted net assets. Board designated net assets consist of unrestricted amounts set aside by the Board of Directors for the building, scholarship and endowment funds. Building funds represent the net proceeds from the sale of NTCA's former headquarters location. The Board of Directors has set aside these funds for the possible purchase of a new headquarters building in the future.

###### Foundation

Scholarship funds represent the net proceeds of certain fundraising events hosted annually by the Foundation. The scholarship funds are used to award scholarships annually to rural youth. The Foundation Board established the endowment fund to help ensure long-term financial stability. Funding for the endowment fund is designated by the Foundation Board.

##### *Temporarily Restricted Funds*

###### NTCA

Rural Telecommunications Administrative Fund (RTAF) consists of contributions made by members, which are restricted to pay only RTAF expenses.

The Coalition to Keep America Connected Fund (the Coalition) was created to ensure that all consumers have access to affordable telecommunications services and the latest technologies. The Coalition's activities were phased out during 2008.

The video litigation fund was created to hire outside consultants and attorneys to represent NTCA members offering cable television and internet protocol television, in their negotiations with video programming vendors concerning access to video programming content.

###### Foundation

The Awareness Campaign consists of funds donated to the Foundation for a national public relations campaign to help rural cooperatives and companies compete in the open market by increasing public awareness of the important role such entities play in their communities.

Clearinghouse Program funds are donated to develop a program that recognizes community service and economic development projects being performed by NTCA member companies. Funds are also donated to the Foundation for general Foundation operations.

# National Telecommunications Cooperative Association and Subsidiaries

## Notes to Consolidated Financial Statements (Continued)

### **Note A - Summary of Significant Accounting Policies (Continued)**

#### *Contributions*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restriction in the statement of activities. Promises to give are classified as temporarily restricted net assets until they are received. The restrictions represent time restrictions and are available for use once the promise to give is received.

#### *Contributed Services*

The Foundation receives contributed services to help accomplish its program objectives. Contributed services are recognized as revenue if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Contributed services consist primarily of professional services and are included in Foundation revenue.

#### *Income Taxes*

NTCA and the Foundation are exempt from federal income taxes under Section 501(c)(6) and 501(c)(3), respectively, of the Internal Revenue Code (the Code) and are subject to taxation only for income defined as unrelated business income. The Foundation is not a private foundation within the meaning of Section 509(a) of the Code. SMC is a taxable corporation. SMC uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax basis of assets and liabilities (i.e. temporary differences) and are measured at the enacted rates that will be in effect when the differences reverse.

#### *Reclassification*

Certain 2007 amounts have been reclassified to conform with the 2008 presentation.

#### *New Accounting Pronouncements*

On December 30, 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) FIN 48-3, deferring the effective date of FASB Interpretation 48, Accounting for Uncertainty in Income Taxes (FIN 48), for certain non-public entities for an additional year. The amended effective date for non-public entities is for fiscal years beginning after December 15, 2008. NTCA has elected to defer its adoption of FIN 48 in accordance with FSP FIN 48-3. NTCA considers whether there are any uncertain tax positions during the preparation of its financial statements and is currently evaluating the potential impact of the adoption of FIN 48 on its financial statements.

# National Telecommunications Cooperative Association and Subsidiaries

## Notes to Consolidated Financial Statements (Continued)

### Note B - Investments

Investments at fair value consist of the following at December 31:

	2008	2007
Equity securities	\$ 362,081	\$ 484,243
Mutual funds	6,924,247	8,778,725
Life insurance policies	341,261	351,566
Collective fund	12,774,550	12,711,561
	\$ 20,402,139	\$ 22,326,095

The following table presents SFAS 157 hierarchy information as of December 31, 2008 about NTCA's investments measured at fair value on a recurring basis:

	Level 1	Level 2	Total
Investments:			
Equity securities and mutual funds	\$ 7,286,328	\$ -	\$ 7,286,328
Collective funds and insurance policies	-	13,115,811	13,115,811
Total investments	7,286,328	13,115,811	20,402,139
The Plans' Net Assets:			
Mutual funds	3,383,348	-	3,383,348
Total	\$ 10,669,676	\$ 13,115,811	\$ 23,785,487

Total return on investments consists of the following at December 31:

	2008	2007
Interest	\$ 27,345	\$ 126,841
Dividends	163,882	188,275
Income from collective fund	691,830	600,171
Net realized and unrealized (losses) gains	(2,086,620)	430,373
	(1,203,563)	1,345,660
Investment management fees	(30,191)	(31,955)
Total return on investments	\$ (1,233,754)	\$ 1,313,705

# National Telecommunications Cooperative Association and Subsidiaries

## Notes to Consolidated Financial Statements (Continued)

### **Note B - Investments (Continued)**

#### *Investment in joint venture*

NTCA is a party in a joint venture with National Rural Telecommunication Cooperative (NRTC). The joint venture was formed to brand, market, and sell broadband content to rural independent and cooperative telephone companies. NTCA contributed \$1,100,000 to the joint venture in exchange for 12.5% of any eventual profits. The investment in the joint venture is measured at fair value on a non-recurring basis. This investment was recorded at cost at December 31, 2007 but was impaired and recorded at its fair value on the statement of financial position at December 31, 2008, as discussed below. The joint venture represents a transfer into Level 3 "unobservable inputs" as the value at December 31, 2008 is recorded at the present value of estimated future cash flows. The discount rate used to calculate the value of estimated future cash flows at December 31, 2008 is 3.5%.

In 2008, SEC Americom announced its intention to cease IP Prime operations on July 31, 2009, effectively terminating the end-to-end solution component of the joint venture. In accordance with generally accepted accounting principles, NTCA wrote down the value of its investment in the joint venture to reflect its estimated fair value. The impairment loss recognized related to this investment during the years ended December 31, 2008 and 2007, was \$944,707 and \$0, respectively, and is recorded in the statement of activities.

### **Note C - Contributions Receivable**

Contributions receivable at December 31, 2008 and 2007 totaled \$8,760 and \$12,110, respectively and represent unconditional promises to give. Contributions receivable are recorded net of the unamortized discount which totaled \$639 at December 31, 2008 and 2007. At December 31, 2008, \$3,100 is due within one year and \$6,299 is due within two to four years.

Discount rates are based upon the rates of applicable Treasury bills in the year in which the pledge was made. Amortization of the discount is included in contribution revenue.

### **Note D - Prepaid and Other Assets**

Other assets includes a receivable from an irrevocable trust set up as the result of a 1986 settlement of litigation with a former employee. The balance, which includes accrued interest from the date of settlement, was \$698,154 and \$641,297 at December 31, 2008 and 2007. The allowance recorded against this receivable is \$306,322 at December 31, 2008 and 2007. This receivable is secured by life insurance policies, which have aggregate cash surrender values at least equal to the carrying amount of the receivable.

## National Telecommunications Cooperative Association and Subsidiaries

### Notes to Consolidated Financial Statements (Continued)

#### **Note D - Prepaid and Other Assets (Continued)**

Significant components of the net deferred tax assets of \$124,347 and \$186,556, at December 31, 2008 and 2007, respectively, result from depreciation, amortization and accrued vacation temporary differences. Federal and state income tax expenses for 2008 were \$180,599 and \$44,664, respectively. Federal and state income tax expenses for 2007 were \$74,951 and \$18,677, respectively.

#### **Note E - Deferred Compensation Plans Net Assets**

Amounts included in the consolidated financial statements as of December 31 that relate to the Deferred Compensation Plans are as follows:

	2008	2007
Cash and cash equivalents	\$ 1,754,035	\$ 2,372,624
Mutual funds	3,383,348	3,132,745
Accrued income	2,089	6,694
Other payables	(13,188)	(9,908)
Net assets	\$ 5,126,284	\$ 5,502,155

Liabilities to employees of NTCA and NTCA's members fully offset these net assets in the consolidated statements of financial position.

#### **Note F - Net Assets Released from Restriction**

Net assets were released from temporary donor restriction by incurring expenses for activities in accordance with the restricted purposes or expiration of time restriction specified by the donors as follows for the year ended December 31:

	2008	2007
RTAF	\$ 115,896	\$ 63,655
Foundation expenses	711,172	691,847
Video litigation	16,713	36,720
Coalition to Keep America Connected	8,642	719,455
Awareness campaign	70,262	53,084
Scholarship	-	1,425
Expiration of time restrictions	3,100	-
Net assets released from restriction	\$ 925,785	\$ 1,566,186

# National Telecommunications Cooperative Association and Subsidiaries

## Notes to Consolidated Financial Statements (Continued)

### Note G - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following as of December 31:

	2008	2007
RTAF	\$ 176,017	\$ 128,256
Awareness campaign	161,797	157,059
Other contributions	8,760	6,579
Clearinghouse program	2,903	2,903
FRS unrestricted net assets shown as temporarily restricted in consolidation	848,999	950,339
	\$ 1,198,476	\$ 1,245,136

The Foundation's unrestricted activities and net assets have been classified as temporarily restricted in these consolidated financial statements due to the restricted nature of the activities of the Foundation.

### Note H - Commitments and Contingencies

NTCA leases office space for its headquarters in Arlington, Virginia under an operating lease. In 2007, NTCA amended the headquarter's lease to extend the term to April 30, 2019.

SMC leases office space for its service center located in Asheville, North Carolina under an operating lease. The lease was amended extending the terms until 2011.

The lease calls for an annual escalation increase of 3% effective on the anniversary date of each term.

Future minimum lease payments under the above described operating leases as of December 31, 2008 are as follows:

2009	\$ 1,622,154
2010	1,674,016
2011	1,418,389
2012	1,308,365
2013	1,347,616
Thereafter	7,895,174
Total minimum lease payments	\$ 15,265,714

## National Telecommunications Cooperative Association and Subsidiaries

### Notes to Consolidated Financial Statements (Continued)

#### **Note H - Commitments and Contingencies (Continued)**

Rent expense under operating leases totaled \$2,139,336 and \$2,032,376 in 2008 and 2007, respectively. Rent expense is allocated to the Foundation and SMC based on occupied square footage.

NTCA has several contracts with hotels for future meetings and conferences. Many of the contracts contain a clause whereby NTCA is liable for liquidated damages in the event of cancellation. NTCA has planned for this by purchasing cancellation insurance and maintains sufficient reserves to cover any remaining liability.

#### **Note I - Employee Retirement Plans**

NTCA and its consolidated affiliates have three retirement plans available to their employees as follows:

*Retirement & Security Program for Employees of the National Telecommunications Cooperative Association and its Member Systems* - A defined benefit pension plan that covers substantially all full-time employees. The plan covers the employees of NTCA, SMC, the Foundation and NTCA's members; accordingly, NTCA's portion of plan assets and accumulated plan benefits at December 31 have not been determined. NTCA, SMC and the Foundation make contributions to the plan equal to the amount accrued for pension expense. Pension expense was \$1,161,561 and \$1,277,392 in 2008 and 2007, respectively.

*Savings Plan for Employees of the National Telecommunications Cooperative Association and its Member Systems* - A contributory, defined contribution plan covering substantially all full-time employees. Contributions totaled \$479,249 and \$445,971 in 2008 and 2007, respectively.

*Deferred Compensation Plans for the National Telecommunications Cooperative Association and its Member Systems* - Nonqualified, salary-deferral plans made available to certain employees of NTCA and NTCA's members. Contributions totaled \$44,650 and \$54,338 in 2008 and 2007, respectively.

## National Telecommunications Cooperative Association and Subsidiaries

### Notes to Consolidated Financial Statements (Continued)

#### **Note J - Related Party Transactions**

##### *NTCA Employee Benefit Plans*

SMC has agreements with the Savings Plan for Employees of the National Telecommunications Cooperative Association and its Member Systems, the Retirement & Security Program for Employees of the National Telecommunications Cooperative Association and its Member Systems, the Group Health Program of the National Telecommunications Cooperative Association and its Members and the Alternative Funding Trusts of the National Telecommunications Cooperative Association and its Members (the Employee Benefit Plans). In accordance with these agreements, SMC provides certain services for the Employee Benefit Plans, including management of all the Employee Benefit Plans' activities; benefits management and administration; field services including communication and education; custody of the Employee Benefit Plans' documents and records; assistance to the Employee Benefit Plans' Trust Committees, custodians, investment managers and others in the performance of their functions; securing insurance protection for personnel with fiduciary responsibilities; and such other services that may from time to time be required for administration of the Plans. The Employee Benefit Plans compensate SMC for these services on a fixed-fee basis. Additionally, SMC has a similar agreement with the Deferred Compensation Plans for the National Telecommunications Cooperative Association and its Member Systems. Amounts earned by SMC under the agreements totaled \$12,183,518 and \$11,830,748 in 2008 and 2007, respectively.

##### *Investment in National Telcom Corporation*

NTCA owns 3.48% of the Class B common stock of National Telcom Corporation (NTC) at December 31, 2008 and 2007. The remaining common stock of NTC is owned by certain members of NTCA. NTC is a captive, property and casualty reinsurance company offering automobile liability and physical damage, workers' compensation, employers' liability, and multiperil property reinsurance to members of NTCA.

NTCA owns two bonds issued by NTC, each with a \$20,000 par value. The bonds are due in full on October 1, 2010 with interest payable semi-annually at a rate of 7% per annum.

National Telecommunications Cooperative Association and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

**Note K - Expenses on a Functional Basis**

Expenses categorized on a functional basis are presented below:

	<u>2008</u>	<u>2007</u>
Programs:		
Benefits processing	\$ 3,450,919	\$ 3,322,124
Conferences and meetings	1,639,559	1,602,400
Communications	1,434,324	1,270,689
Legal and industry	1,358,268	1,291,024
Field services	1,323,778	1,315,093
Business and technology	961,535	923,713
Government affairs	886,310	1,051,652
Education	774,135	820,982
Membership	224,875	231,295
Youth Tours	134,101	134,491
Awareness campaign	126,036	136,694
Scholarship	84,888	74,501
International projects	-	7,844
Total program expenses	<u>12,398,728</u>	<u>12,182,502</u>
Fundraising	264,023	266,191
Management and general	<u>11,942,750</u>	<u>12,430,683</u>
Total	<u>\$ 24,605,501</u>	<u>\$ 24,879,376</u>

## National Telecommunications Cooperative Association and Subsidiaries

### Notes to Consolidated Financial Statements (Continued)

#### **Note L - Other Expenses**

Detail of other expenses is presented below:

	2008	2007
Property and other taxes	\$ 142,417	\$ 65,104
Insurance	140,716	127,953
RTAF	115,896	63,751
Miscellaneous	107,407	166,340
Printing	106,722	107,107
Books and periodicals	75,036	72,443
Public relations	72,218	44,028
Credit card fees	72,180	70,656
Scholarship awards	60,000	50,000
Write off of grant receivable	54,810	-
Organization dues	54,650	57,005
Payroll processing	43,381	40,361
Government affairs	30,926	34,954
Annual report	27,475	22,849
Software leasing	23,000	30,986
Sales and use tax	21,461	20,966
Promotions and marketing	20,661	32,222
Video litigation	16,713	36,444
Website redesign and maintenance	20,821	62,582
Committee expenses	12,561	12,372
Coalition to Keep America Connected	8,642	719,453
Freelance design	3,160	3,250
Loss on disposal of assets	2,058	29,658
Bank charges	96	556
Pre-retirement seminars	(63,899)	(70,950)
Corrective payment to Retirement & Security Program	-	334,446
Online services	-	11,469
Grant overhead recapture	-	(2,271)
	\$ 1,169,108	\$ 2,143,734

**Report of Independent Auditors  
on Other Financial Information**

Board of Directors  
National Telecommunications Cooperative Association and Subsidiaries

Our audit of the consolidated financial statements referred to on page 1 were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The additional information presented on the following pages 21 to 24 is presented for purposes of additional analysis and is not a required part of the financial statements. The additional information is the responsibility of management. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects in relation to the consolidated financial statements taken as a whole.

*Johnson Lambert & Co LLP*

Falls Church, Virginia  
May 11, 2009

National Telecommunications Cooperative Association and Subsidiaries

Details of Consolidated Statements of Financial Position

	December 31, 2008						December 31, 2007					
	National Telecommunications Cooperative Association	Services Management Corporation	Foundation for Rural Service	Deferred Compensation Plans	Adjustments and Eliminations	Consolidated	National Telecommunications Cooperative Association	Services Management Corporation	Foundation for Rural Service	Deferred Compensation Plans	Adjustments and Eliminations	Consolidated
<b>Assets</b>												
Cash and cash equivalents	\$ 1,617,287	\$ 1,313,093	\$ 160,320	\$ -	\$ -	\$ 3,090,700	\$ 1,225,770	\$ 719,858	\$ 136,429	\$ -	\$ -	\$ 2,082,057
Investments, at fair value	16,181,301	3,329,680	891,158	-	-	20,402,139	17,836,895	3,493,339	995,861	-	-	22,326,095
Accrued interest receivable	535	-	-	-	-	535	2,307	-	-	-	-	2,307
Accounts receivable:												
Members	54,216	107,159	1,585	-	-	162,960	-	121,297	16,303	-	-	137,600
Due from benefit plans of NTCA and its members	325	-	530	-	-	855	-	144,813	-	-	-	144,813
Due from NTCA/SMC	-	97,123	70,861	-	(167,984)	-	-	28,485	64,677	-	(93,162)	-
Due from Foundation	-	-	-	-	-	-	-	983	-	-	(983)	-
Contributions receivable, net	-	-	8,760	-	-	8,760	-	-	12,110	-	-	12,110
Deferred Compensation Plans net assets:												
Employees of NTCA	-	-	-	1,563,091	-	1,563,091	-	-	-	1,758,133	-	1,758,133
Employees of NTCA members	-	-	-	3,563,193	-	3,563,193	-	-	-	3,744,022	-	3,744,022
Other receivables	393,176	1,184	-	-	-	394,360	529,414	35,700	-	-	-	565,114
Investment in National Telcom Corporation, at cost	144,000	-	-	-	-	144,000	144,000	-	-	-	-	144,000
Investment in SMC, at cost	40,200	-	-	-	(40,200)	-	40,200	-	-	-	(40,200)	-
Investment in joint venture	66,569	-	-	-	-	66,569	1,100,000	-	-	-	-	1,100,000
Prepaid and other assets	999,879	447,705	26,196	-	-	1,473,780	996,433	504,584	18,001	-	-	1,519,018
Investments in Deferred Compensation Plans	1,551,817	11,274	-	-	(1,563,091)	-	1,733,167	24,966	-	-	(1,758,133)	-
Property and equipment:												
Furniture and equipment	1,908,572	3,100,886	-	-	-	5,009,458	1,735,787	3,032,592	11,915	-	-	4,780,294
Accumulated depreciation	(1,455,871)	(2,243,736)	-	-	-	(3,699,607)	(1,286,481)	(2,186,227)	(11,915)	-	-	(3,484,623)
	452,701	857,150	-	-	-	1,309,851	449,306	846,365	-	-	-	1,295,671
<b>Total assets</b>	<b>\$ 21,502,006</b>	<b>\$ 6,164,368</b>	<b>\$ 1,159,410</b>	<b>\$ 5,126,284</b>	<b>\$ (1,771,275)</b>	<b>\$ 32,180,793</b>	<b>\$ 24,057,492</b>	<b>\$ 5,920,390</b>	<b>\$ 1,243,381</b>	<b>\$ 5,502,155</b>	<b>\$ (1,892,478)</b>	<b>\$ 34,830,940</b>

- Continued -

National Telecommunications Cooperative Association and Subsidiaries

Details of Consolidated Statements of Financial Position (Continued)

	December 31, 2008						December 31, 2007					
	National Telecommunications Cooperative Association	Services Management Corporation	Foundation for Rural Service	Deferred Compensation Program	Adjustments and Eliminations	Consolidated	National Telecommunications Cooperative Association	Services Management Corporation	Foundation for Rural Service	Deferred Compensation Program	Adjustments and Eliminations	Consolidated
<b>Liabilities and net assets</b>												
<b>Liabilities:</b>												
Accounts payable and accrued expenses	\$ 601,579	\$ 1,073,326	\$ 6,441	\$ -	\$ -	\$ 1,681,346	\$ 616,807	\$ 1,257,154	\$ 8,156	\$ -	\$ -	\$ 1,882,117
Due to benefit plans of NTCA and its members	-	308,413	-	-	-	308,413	31,696	-	-	-	-	31,696
Due to NTCA/SMC	97,123	-	-	-	(97,123)	-	28,485	-	-	-	(28,485)	-
Due to Foundation	68,771	2,090	-	-	(70,861)	-	65,660	-	-	-	(65,660)	-
Deferred dues income	1,627,776	-	-	-	-	1,627,776	1,429,202	-	-	-	-	1,429,202
Deferred video litigation income	6,802	-	-	-	-	6,802	23,514	-	-	-	-	23,514
Deferred Coalition to Keep America Connected income	-	-	-	-	-	-	141,406	-	-	-	-	141,406
Deferred joint project income	-	-	-	-	-	-	85,716	-	-	-	-	85,716
Payments and contributions received in advance	1,700,344	-	130,510	-	-	1,830,854	1,532,105	-	118,345	-	-	1,650,450
Supplemental accrued retirement benefits	463,623	-	-	-	-	463,623	607,319	-	-	-	-	607,319
Deferred Compensation Plans liabilities:												
Employees of NTCA/SMC	1,551,817	11,274	-	1,563,091	(1,563,091)	1,563,091	1,733,167	24,966	-	1,758,133	(1,758,133)	1,758,133
Employees of NTCA members	-	-	-	3,563,193	-	3,563,193	-	-	-	3,744,022	-	3,744,022
	<u>6,117,835</u>	<u>1,395,103</u>	<u>136,951</u>	<u>5,126,284</u>	<u>(1,731,075)</u>	<u>11,045,098</u>	<u>6,295,077</u>	<u>1,282,120</u>	<u>126,501</u>	<u>5,502,155</u>	<u>(1,852,278)</u>	<u>11,353,575</u>
<b>Net assets:</b>												
Common stock	-	40,200	-	-	(40,200)	-	-	40,200	-	-	(40,200)	-
Retained earnings	-	4,729,065	-	-	(4,729,065)	-	-	4,598,070	-	-	(4,598,070)	-
Undesignated net assets	8,936,236	-	398,032	-	4,331,033	13,665,301	11,362,241	-	388,168	-	4,209,902	15,960,311
Board designated net assets	6,271,918	-	450,967	-	(450,967)	6,271,918	6,271,918	-	562,171	-	(562,171)	6,271,918
Total unrestricted net assets	15,208,154	4,769,265	848,999	-	(889,199)	19,937,219	17,634,159	4,638,270	950,339	-	(990,539)	22,232,229
Temporarily restricted net assets	176,017	-	173,460	-	848,999	1,198,476	128,256	-	166,541	-	950,339	1,245,136
Total net assets	<u>15,384,171</u>	<u>4,769,265</u>	<u>1,022,459</u>	<u>-</u>	<u>(40,200)</u>	<u>21,135,695</u>	<u>17,762,415</u>	<u>4,638,270</u>	<u>1,116,880</u>	<u>-</u>	<u>(40,200)</u>	<u>23,477,365</u>
Total liabilities and net assets	<u>\$ 21,502,006</u>	<u>\$ 6,164,368</u>	<u>\$ 1,159,410</u>	<u>\$ 5,126,284</u>	<u>\$ (1,771,275)</u>	<u>\$ 32,180,793</u>	<u>\$ 24,057,492</u>	<u>\$ 5,920,390</u>	<u>\$ 1,243,381</u>	<u>\$ 5,502,155</u>	<u>\$ (1,892,478)</u>	<u>\$ 34,830,940</u>

National Telecommunications Cooperative Association and Subsidiaries

Details of Consolidated Statements of Activities

	December 31, 2008					December 31, 2007				
	National Telecommunications Cooperative Association	Services Management Corporation	Foundation for Rural Service	Adjustments and Eliminations	Consolidated	National Telecommunications Cooperative Association	Services Management Corporation	Foundation for Rural Service	Adjustments and Eliminations	Consolidated
<b>Changes in unrestricted net assets:</b>										
Income:										
Member dues	\$ 4,557,102	\$ -	\$ -	\$ -	\$ 4,557,102	\$ 4,643,429	\$ -	\$ -	\$ -	\$ 4,643,429
Administrative and management fees	1,570,200	12,183,518	-	(1,866,800)	11,886,918	1,490,200	11,830,748	-	(1,779,500)	11,541,448
Member services	1,946,588	114,956	-	-	2,061,544	1,745,859	185,037	-	-	1,930,896
FAS 106	-	394,100	-	-	394,100	-	428,900	-	-	428,900
Section 125	-	424,660	-	-	424,660	-	432,791	-	-	432,791
Conferences and meetings	3,944,923	-	-	-	3,944,923	4,326,268	-	-	-	4,326,268
Business development	117,064	-	-	-	117,064	121,834	-	-	-	121,834
Domestic and international consulting	34,269	-	-	-	34,269	52,716	-	-	-	52,716
Youth tour	-	-	101,525	(101,525)	-	-	-	110,550	(110,550)	-
Fundraising events	-	-	294,355	(294,355)	-	-	-	300,605	(300,605)	-
Contributions	-	-	236,355	(236,355)	-	-	-	249,283	(249,283)	-
Rental income	313,729	-	-	(313,729)	-	298,413	-	-	(298,413)	-
Investment income	773,086	79,780	31,845	(31,845)	852,866	729,914	153,418	41,270	(41,270)	883,332
Net realized and unrealized (loss) gain on investments	(1,834,443)	(252,177)	(133,681)	133,681	(2,086,620)	394,126	36,247	20,449	(20,449)	430,373
Loss on joint venture	(944,707)	-	-	-	(944,707)	-	-	-	-	-
Federal grants	-	-	-	-	-	7,844	-	-	-	7,844
Contributed services revenues	-	-	40,500	(40,500)	-	-	-	56,800	(56,800)	-
Other	114,580	28,007	94,214	(94,214)	142,587	115,212	53,804	52,654	(52,654)	169,016
	10,592,391	12,972,844	665,113	(2,845,642)	21,384,706	13,925,815	13,120,945	831,611	(2,909,524)	24,968,847
Net assets released from restriction	141,251	-	73,362	711,172	925,785	819,830	-	54,509	691,847	1,566,186
	10,733,642	12,972,844	738,475	(2,134,470)	22,310,491	14,745,645	13,120,945	886,120	(2,217,677)	26,535,033
Expenses:										
Salaries and related costs	6,954,192	8,110,055	235,987	-	15,300,234	6,682,584	7,906,667	209,201	-	14,798,452
Building and rent	1,471,335	991,775	52,094	(313,729)	2,201,475	1,401,700	964,089	49,037	(298,413)	2,116,413
Travel and entertainment	248,421	338,501	19,800	-	606,722	244,052	312,666	18,318	-	575,036
Conferences and meetings	1,547,723	-	-	-	1,547,723	1,520,565	-	-	-	1,520,565
Member services	958,944	34,144	-	-	993,088	984,139	97,504	-	-	1,081,643
Business development	77,656	-	-	-	77,656	97,588	-	-	-	97,588
Domestic and international consulting	16,908	-	-	-	16,908	14,538	-	-	-	14,538
Youth Tour	-	-	103,861	-	103,861	-	-	105,409	-	105,409
Board of Directors	246,984	41,557	6,337	-	294,878	243,942	57,232	5,133	-	306,307
Direct fundraising events costs	-	-	199,529	-	199,529	-	-	202,426	-	202,426

- Continued -

National Telecommunications Cooperative Association and Subsidiaries

Details of Consolidated Statements of Activities (Continued)

	December 31, 2008					December 31, 2007				
	National Telecommunications Cooperative Association	Services Management Corporation	Foundation for Rural Service	Adjustments and Eliminations	Consolidated	National Telecommunications Cooperative Association	Services Management Corporation	Foundation for Rural Service	Adjustments and Eliminations	Consolidated
Telecommunications and postage	85,588	182,754	15,132	-	283,474	79,078	185,706	11,442	-	276,226
Information technology & claims processing	213,554	837,053	-	-	1,050,607	249,048	817,086	-	-	1,066,134
Supplies	53,166	89,822	2,473	-	145,461	46,242	88,936	2,544	-	137,722
Professional services	148,386	184,049	16,579	-	349,014	108,460	162,291	8,160	-	278,911
Corporate tax	-	225,263	-	-	225,263	-	93,628	-	-	93,628
International grants:										
Federal	-	-	-	-	-	7,844	-	-	-	7,844
Contributed services	-	-	40,500	-	40,500	-	-	56,800	-	56,800
Other	840,190	236,676	142,242	(50,000)	1,169,108	1,461,850	605,068	136,816	(60,000)	2,143,734
Office administration (NTCA and SMC administrative and management fees)	296,600	1,570,200	-	(1,866,800)	-	289,300	1,490,200	-	(1,779,500)	-
	<u>13,159,647</u>	<u>12,841,849</u>	<u>834,534</u>	<u>(2,230,529)</u>	<u>24,605,501</u>	<u>13,430,930</u>	<u>12,781,073</u>	<u>805,286</u>	<u>(2,137,913)</u>	<u>24,879,376</u>
Change in unrestricted net assets	(2,426,005)	130,995	(96,059)	96,059	(2,295,010)	1,314,715	339,872	80,834	(79,764)	1,655,657
Reclassification of net assets	-	-	(5,281)	5,281	-	-	-	-	-	-
Total change in unrestricted net assets	<u>(2,426,005)</u>	<u>130,995</u>	<u>(101,340)</u>	<u>101,340</u>	<u>(2,295,010)</u>	<u>1,314,715</u>	<u>339,872</u>	<u>80,834</u>	<u>(79,764)</u>	<u>1,655,657</u>
<b>Changes in temporarily restricted net assets:</b>										
Foundation revenue	-	-	-	615,113	615,113	-	-	-	771,611	771,611
Contributions to Awareness Campaign	-	-	75,000	-	75,000	-	-	75,000	-	75,000
Contributions to Coalition to Keep America Connected	8,642	-	-	-	8,642	719,455	-	-	-	719,455
Contributions to RTAF	163,657	-	-	-	163,657	117,515	-	-	-	117,515
Contributions to video litigation	16,713	-	-	-	16,713	36,270	-	-	-	36,270
Net assets released from restriction	(141,251)	-	(73,362)	(711,172)	(925,785)	(819,830)	-	(54,509)	(691,847)	(1,566,186)
Change in temporarily restricted net assets	47,761	-	1,638	(96,059)	(46,660)	53,410	-	20,491	79,764	153,665
Reclassification of temporarily restricted net assets	-	-	5,281	(5,281)	-	-	-	-	-	-
Total change in net assets	<u>(2,378,244)</u>	<u>130,995</u>	<u>(94,421)</u>	<u>-</u>	<u>(2,341,670)</u>	<u>1,368,125</u>	<u>339,872</u>	<u>101,325</u>	<u>-</u>	<u>1,809,322</u>
Net assets, beginning of year	17,762,415	4,638,270	1,116,880	(40,200)	23,477,365	16,394,290	4,298,398	1,015,555	(40,200)	21,668,043
Net assets, end of year	<u>\$ 15,384,171</u>	<u>\$ 4,769,265</u>	<u>\$ 1,022,459</u>	<u>\$ (40,200)</u>	<u>\$ 21,135,695</u>	<u>\$ 17,762,415</u>	<u>\$ 4,638,270</u>	<u>\$ 1,116,880</u>	<u>\$ (40,200)</u>	<u>\$ 23,477,365</u>

- a. Is there a current office in Arkansas? **No, not for the national association.**
- b. Does the Arkansas part of the organization have any officers, committees, or chapters? If so, give details. **There are no officers, committees, or chapters. NTCA does have members, commercial and cooperative telecommunication companies, in Arkansas.**
- c. Are annual dues charged? If so, specify amount. **Yes (Cooperative Telecommunications Companies in Arkansas w/GHP coverage listed below)**

<b>Central Arkansas Telephone Coop.</b>	<b>\$8,926</b>
<b>Pinnacle Communications</b>	<b>\$2,076</b>
<b>Prairie Grove Telephone Company</b>	<b>\$12,708</b>
<b>Rice Belt Telephone Company</b>	<b>\$1,621</b>
<b>Southwest Arkansas Tele Coop.</b>	<b>\$14,776</b>

- d. What benefits are provided to the members in addition to insurance? **PLEASE ATTACH BROCHURES ON THE BENEFITS. Please see our website at [www.ntca.org](http://www.ntca.org).**
- e. How are members recruited? If by mailing list, advise the source of this list. **Potential members eligible for membership are contacted by our field services representatives.**
- f. Also, enclose a list of dues paying members residing in Arkansas with full addresses. If the organization considers this privileged information, we will treat it as such and once it has served our purpose, it will be destroyed.

**Central Arkansas Telephone Company  
P.O. Box 130  
Bismarck, AR 71929**

**Pinnacle Communications  
P.O. Box 230  
Lavaca, AR 72941**

**Prairie Grove Telephone Company  
P.O. Box 1010  
Prairie Grove, AR 72753**

**Rice Belt Telephone Company  
P.O. Box 388  
Weiner, AR 72479**

**Southwest Arkansas Tele Coop.  
2601 East Street  
2601 Texarkana, AR 71854**

**Also see separate list of individual member names**

- g. Please attach a copy of the organization's most recent financial statement. Please see NTCA's financial info that is attached.**
- h. Does the organization receive any compensation of any kind from the insurer issuing contracts to its members? No, NTCA does not receive any compensation from the insurer issuing the contracts.**

Participant Enrollment Summary Report

NTCA

Last Name	First Name	DOE	DOB	Type	Hi-Limit	24 Hour
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04502-00 - Communications Supply Service Assoc

Agee	Billy	1/25/1988	11/29/1925	RR		
Brown	John	2/7/1994	6/13/1970	EE		1/1/1997
Bryant	Kari	12/19/2000	10/17/1971	EE		3/1/2001
Cabe	Susan	7/16/1998	8/27/1965	EE		7/16/1998
Collins	Gregory	9/27/1999	1/17/1968	EE		12/15/1999
Cook	Mollie	3/11/1996	11/18/1950	EE		1/1/1997
Davison	Joseph	5/16/1994	3/14/1968	EE		1/1/1997
Delk	Thomas	1/19/2004	3/4/1969	EE		1/27/2004
Edgington	Dale	10/8/2001	6/5/1952	EE		10/31/2001
Erwin	Becky	7/1/1995	5/19/1959	EE		1/1/1997
Froemsdor	Leah	2/1/1996	3/30/1953	RR		
Gordon	Keith	7/1/2006	7/25/1951	EE		7/1/2006
Hall	Diana	7/26/1999	9/8/1948	RR	Terminated	
Hancock	Bobby	5/17/2004	9/4/1979	EE		8/6/2004
Hanson	Charles	6/1/1991	12/15/1934	RR		
Henry	Mary	1/1/1981	3/10/1945	RR	Terminated	
Hoaglan	Larry	1/1/1981	5/2/1948	RR	Terminated	
Houser	Becky	2/16/1993	5/5/1949	RR	Terminated	
Laster	Darron	12/1/1998	8/6/1967	EE		12/29/1998
Loyd	Archie	12/6/1990	8/9/1939	RR		
McBroom	Amy	9/11/2006	5/2/1983	EE		9/11/2006
McCarrell	Denesha	6/30/2008	10/3/1975	EE		9/8/2008
Nesselrotte	Kathleen	3/22/2004	8/28/1962	EE		3/22/2004
Nettles	John	6/9/2008	11/15/1960	EE		6/9/2008
Newell	Meka	5/19/1997	3/31/1971	EE		6/12/1997
Paparella	John	5/16/2002	3/11/1938	RR		
Pearrow	David	1/25/1988	4/30/1961	EE		1/1/1997
Reaves	Elmer	3/1/1949	9/1/1924	RR		
Richardson	Allison	11/15/1999	8/14/1963	EE		2/15/2000
Van Reene	Carel	8/17/2000	3/18/1967	EE		10/17/2000
Vaters	Arthur	2/22/1999	11/17/1946	EE		2/22/1999
Warlick	Twylia	1/1/1981	7/28/1946	RR	Terminated	
Williams	Alan	8/21/2008	12/28/1962	EE		10/30/2008
Williams	Rico	10/16/1995	7/19/1957	EE		1/1/1997

Totals

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0

04514-00 - Southwest Arkansas Tele Coop. Inc.

Bassett	Johnathan	12/17/2008	1/18/1978 EE	12/17/2008
Bell	Charles	9/1/2003	2/26/1952 EE	9/1/2003
Benton	Samuel	1/24/2000	4/27/1957 EE	1/24/2000
Benton	Sandy	7/1/1983	4/27/1957 EE	9/1/1990
Bobo	Macy	5/29/1990	4/19/1974 EE	1/27/1999
Boyce	Bill	9/1/1990	8/25/1948 DR	9/1/1990
Boyce	Bryan	8/22/2006	2/24/1986 EE	8/22/2006
Boyette	James	4/8/1996	10/5/1954 EE	4/11/1996
Boyette	James	3/1/1969	3/5/1926 DR	9/1/1990
Brown	Annie	5/25/1979	9/29/1949 RR	Terminated
Bruce	Ronald	6/27/1979	5/16/1961 EE	Terminated
Bullock	William	12/1/1989	6/12/1954 DR	9/1/1990
Carrigan	Ben	8/8/2000	11/11/1959 EE	8/21/2000
Carrigan	Erwin	3/5/2001	8/24/1981 EE	3/5/2001
Coker	Jewell	4/1/1995	4/2/1938 RR	
Collins	Jerry	1/15/1980	6/13/1943 DR	9/1/1990
Cooke	Cathryn	11/2/1992	10/1/1947 EE	11/2/1992
Cox	William	1/11/2006	10/21/1917 RR	Terminated
Cox Jr	Kenneth	9/1/2007	11/19/1960 DR	9/1/2007
Day	Billy	7/1/2002	10/13/1955 EE	7/17/2002
Dildine	Kenneth	4/16/1975	5/7/1943 RR	
Early	Lonnie	7/1/2005	11/8/1942 RR	Terminated
Earp	Shawna	10/2/1991	3/1/1974 EE	1/27/1999
England	N Diann	1/1/9999	3/31/1954 SS	
Ewing	Carolyn	8/25/2008	10/1/1947 EE	8/25/2008
Farley	Dennis	8/7/1978	8/28/1958 EE	9/1/1990
Forrest	James	8/16/1966	3/26/1938 RR	
Foster	Joyce	2/1/2008	6/22/1962 EE	2/1/2008
Frazier	Larry	5/2/2008	7/24/1957 EE	5/2/2008
Grace	Betty	1/1/9999	7/21/1927 SS	
Harris	Devra	6/16/1976	9/13/1949 EE	9/1/1990
Hegmann	William	3/9/2009	10/23/1977 EE	3/27/2009
Hegmann	William	7/1/2006	7/30/1951 DR	9/1/1990
Hensley	Alma	6/1/2009	12/11/1930 SS	
Hyman	Roy	2/10/1992	1/4/1971 EE	2/13/1992
Jamail	Susan	10/1/2007	5/9/1954 EE	10/1/2007
Johnson	Christine	8/10/1989	9/17/1946 EE	9/1/1990
Johnson	Eric	1/2/1997	7/18/1970 EE	8/29/2000
Johnson	Lee	9/9/1969	1/17/1943 RR	
Knigge	Sherri	6/21/2000	11/17/1964 EE	6/21/2000
Latham	Misty	9/8/2008	6/4/1979 EE	9/12/2008
McCarthy	Barbara	5/1/2000	8/30/1947 EE	5/1/2000
McCutcheo	Rickey	7/1/2000	12/6/1951 EE	7/1/2000
McMurry	Dusty	5/6/2000	10/1/1982 EE	12/31/2002
McMurry	Wade	6/14/1999	1/15/1961 EE	6/23/1999
Miner	Woodrow	9/21/1953	7/15/1913 RR	
Moore	Heath	4/5/1993	7/6/1969 EE	4/5/1993
Moore	Tina	5/1/1994	4/5/1971 EE	5/5/1994

Otwell	Dorothy	1/1/2003	7/18/1926	SS	
Powers	William	1/28/2008	4/11/1969	EE	1/28/2008
Price	Glen	1/30/2008	12/8/1934	DR	9/1/1990
Puckett	Mandy	5/10/1994	3/9/1913	RR	
Puckett	Mandy	4/1/1995	3/9/1913	RR	
Roberson	Bobby	9/20/1993	9/13/1938	DR	10/1/1993
Roberson	Doris	7/1/1990	1/21/1917	RR	
Scarborough	Glen	1/1/1994	9/18/1966	EE	6/26/1995
Shipp	Richard	5/1/1995	11/13/1961	EE	5/1/1995
Sullivan	Barbara	5/3/1982	8/6/1946	RR	Terminated
Simmons	Martha	1/1/9999	10/30/1915	SS	
Smith	Ode	1/19/1974	10/27/1927	DR	9/1/1990
Smith	Perry	2/1/1992	6/11/1941	SS	
Tatum	Michael	6/27/2005	4/25/1974	EE	7/14/2005
Templeton	Bill	7/5/1977	7/21/1939	DR	9/1/1990
Vejvoda	Martin	12/24/2000	2/25/1968	EE	1/4/2001
Yeatman	Bryan	12/1/1992	9/2/1970	EE	12/1/1992

Totals

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0

04515-00 - Central Arkansas Tel Co-Op Inc

Allen	William	10/1/1977	11/5/1921	DR	
Bray	Roy	1/23/2006	8/25/1930	DR	4/1/1989
Cansler	Alan	10/9/2001	5/15/1953	DR	11/26/2001
Crow	Paul	4/1/1989	6/9/1931	DR	
Eubanks	Ronald	3/14/1994	5/9/1937	RR	Terminated
Faris	John	12/31/1997	8/16/1961	EE	1/1/1998
Fisher	Millard	5/1/1976	10/13/1916	DR	
Freeman	Kathleen	12/29/1986	2/25/1937	RR	Terminated
Godfrey	Charles	1/16/1984	6/27/1933	RR	
Gray	Linda	10/12/2005	5/27/1952	DR	11/1/2005
Hardage	Van	4/1/1989	1/30/1926	DR	
Harkrider	Claude	4/1/1989	10/28/1937	RR	
Holder	Birdie	10/12/2004	4/23/1941	DR	10/28/2004
Holmes	Debbie	10/2/2006	1/10/1963	EE	10/2/2006
Hughes	Adolph	10/14/1997	2/10/1932	DR	10/30/1997
Hughes	Mason	1/19/2004	7/23/1980	EE	1/19/2004
Huneycutt	Sharon	7/12/1999	8/16/1956	EE	7/12/1999
Jackson	James	10/11/1976	6/9/1948	EE	4/1/1989
Johnson	Kenneth	6/20/1967	4/7/1932	RR	
Judd	William	11/24/1997	11/6/1959	EE	11/28/1997
Kinnaird - S	Shirley	6/18/1981	5/20/1950	EE	4/1/1989
Lambert	James	10/8/1996	5/30/1928	DR	
Langley	Gordon	8/1/2001	7/20/1950	EE	8/2/2001
Massey	Charles	10/9/2001	4/9/1940	RR	Terminated
Mc Mahan	James	4/1/1989	10/16/1927	DR	4/1/1989
McKim	Sherry	12/28/1992	11/20/1950	EE	5/21/1993
Morin	Jacquelyn	5/6/1974	10/18/1933	EE	4/1/1989
Powell	Gordon	10/12/1995	7/25/1929	RR	Terminated

Prince	Billy	4/1/1989	7/16/1928	DR	
Prince	Sherman	10/12/1999	8/22/1957	DR	10/18/1999
Ramsey	Patty	1/1/9999	4/8/1934	SS	
Reeder	Jo	3/31/2002	10/17/1960	EE	4/1/2002
Scott	Robert	10/13/1998	8/26/1937	DR	
Shuffield	Delores	11/1/1978	2/23/1944	RR	Terminated
Snodgrass	Adam	5/1/2000	3/25/1982	EE	1/23/2001
Spears	Glen	10/14/1985	10/2/1933	RR	
Thornton	Dennis	10/12/2004	6/16/1962	DR	11/6/2004
Thornton	Gary	1/1/1986	3/26/1953	EE	4/1/1989
Wooten	Clarence	10/14/2003	7/31/1947	DR	10/14/2003

Totals 22 0

04534-00 - Pinnacle Communications

Ball	Christina	9/2/1997	2/11/1973	EE	9/2/1997
Barkley	Deborah	10/4/1991	10/5/1953	EE	12/1/2001
Biggerstaff	Tina	2/22/2007	7/29/1964	EE	3/27/2007
Buechley	Donna	1/2/2009	6/10/1965	EE	1/2/2009
Butler	Eddie	8/18/1993	10/12/1972	EE	12/1/2004
Dolan	Carl	7/11/2005	10/3/1954	EE	7/11/2005
Feathersto	Ronald	1/2/1985	12/11/1956	EE	12/1/2001
Gibson	Allison	1/5/2009	6/9/1982	EE	1/5/2009
Gibson	Clyde	2/2/1957	6/19/1928	RR	
Gibson	Gregory	1/1/1976	12/4/1956	EE	12/1/2001
Gibson	Michael	9/1/1986	8/16/1953	EE	12/1/2001
Gibson	Richard	6/1/1977	1/16/1955	EE	12/1/2001
Gibson	Ruby	2/2/1957	7/21/1933	RR	
Kizer	Gregg	3/19/2007	7/23/1968	EE	3/19/2007
Nolan	Tammy	1/1/2005	9/4/1960	EE	1/1/2005
Pschier	Phillip	5/27/1997	9/12/1967	EE	12/1/2001
Ray	Lois	3/1/1977	12/16/1938	RR	Terminated
Stockton	Evan	6/2/2008	10/3/1985	EE	6/2/2008
Wallace	Harold	7/5/1991	6/1/1944	EE	12/1/2001
Wessels	Louis	2/4/2008	7/16/1970	EE	2/10/2008
Willhite	Elizabeth	5/14/2007	5/22/1974	EE	5/14/2007
Zeiler	John	7/7/2008	6/24/1965	EE	7/7/2008

Totals 19 0

04543-00 - Townes Telecommunications Inc.

Adams	Paul	5/17/1993	12/2/1963	EE	
Adcock	Randy	8/19/1999	12/8/1956	EE	
Barletti	W. V. Anth	10/2/2004	12/15/1970	DR	
Benefield	Mary	1/1/1966	1/26/1928	RR	
Benton	Kyle	5/3/2009	10/10/1956	EE	

Biddle	Evelyn	2/23/1988	4/3/1961	EE
Bridges	Darla	6/29/1996	6/8/1978	EE
Bridges	Robert	6/21/1999	3/13/1973	EE
Bridges	Ronnie	2/23/2000	9/11/1969	EE
Brown	Chad	11/1/2005	1/17/1964	EE
Canady	Betty J	6/1/2009	6/16/1968	EE
Cawthon	Gary	8/1/1981	10/14/1951	EE
Consider	Lucinda	5/3/2009	8/28/1953	EE
Contesse	Paul	4/14/1997	11/4/1944	DR
Cooper	Button	8/1/1988	4/18/1962	EE
Crowell	James	10/24/2005	12/18/1972	EE
Curry	Bobby	10/1/1988	7/18/1929	RR
Davidson	Gregory	6/30/1995	11/14/1971	EE
Delarosa	Mary	6/1/2004	3/31/1967	EE
Edwards	Lucille	8/1/1981	4/4/1920	EE
Feltenberg	David	7/1/1998	6/27/1940	RR
Flournoy	Thomas	4/30/1993	4/15/1936	RR
Frederick	George	10/1/1999	11/24/1943	DR
Freeman	Jim	8/26/1991	11/27/1937	RR
Freeman	Ronald	3/10/2000	9/22/1967	EE
Glass	Joseph	9/23/1991	1/19/1958	EE
Gould	Vivian	11/21/1988	11/9/1938	EE
Greene	Jerry	10/1/1985	10/18/1961	EE
Hagemeye	Dennis	6/1/1987	7/24/1960	EE
Hastings	Bobby	4/10/2000	8/27/1962	EE
Hays	Glenn	6/17/1996	9/1/1960	EE
Herrera	Frank	5/1/1989	2/9/1947	EE
Johnson	David	8/13/2007	12/16/1960	EE
Johnson	Janet	6/13/1994	1/14/1955	EE
Jones	Gary	5/3/2009	8/18/1959	EE
Judd	William	2/1/1967	9/28/1934	RR
Keller	Amorita	3/20/1987	1/8/1962	EE
Keller	Jeff	4/1/1987	3/28/1960	EE
Kidd	Kathy	6/15/1985	10/20/1953	EE
Lalk	Wilma	2/14/2000	2/8/1956	EE
Lapasinska	Werner	10/4/1999	12/24/1947	EE
Leick	Richard	12/31/1988	3/13/1935	RR
Lewis	Margaret	10/1/1988	12/8/1926	RR
Long	Daniel	5/21/2007	8/26/1981	EE
Mahnke	Bruce	10/7/1996	8/25/1968	EE
Michalewic	Harry	3/31/1997	1/9/1958	EE
Morris Jr	John	5/3/2009	9/6/1948	EE
Parker	Larry	6/1/1994	2/18/1947	EE
Plafcan	Glenna	11/1/1976	11/26/1956	EE
Price	Steve	5/1/1973	9/25/1951	EE
Quinn	John	4/1/1996	6/21/1942	RR
Reagle	James	5/3/2009	2/26/1957	EE
Ross	Johnny	1/1/1983	3/25/1962	EE
Ross	Matthew	5/29/2008	5/19/1987	EE
Ross	Newell	3/1/1980	1/24/1950	EE
Russell	James	6/1/1987	1/9/1949	EE
Russell	Robert	5/1/1984	9/29/1929	RR

Sasser	Hollis	4/4/1988	8/27/1950	EE
Scheel	Carol	8/1/2003	4/23/1935	SS
Schneible	Myles	4/24/1996	12/21/1952	EE
Simpkins	James	6/1/1967	7/22/1927	RR
Skarda	Everette	11/1/1997	6/24/1955	EE
Stroud	Reba	10/1/1988	7/14/1923	RR
Talley	Jeremy	5/7/2007	5/2/1985	EE
Taylor	Robbie	9/4/1998	10/26/1973	EE
Thomas	Carl	1/1/1973	4/28/1927	RR
Townes	Blanche	12/4/1989	8/11/1939	RR
Townes	Larry	8/1/1981	6/5/1949	EE
Townes	Linda	5/9/2005	3/17/1970	EE
Townes	Phillis	8/1/1981	9/14/1949	EE
Unangst	Gerald	5/3/2009	4/23/1946	EE
Upton	Georgia	9/1/2004	11/8/1953	EE

Totals					0	0
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04545-00 - Rice Belt Telephone Company Inc.

Baker	Philip	10/1/1996	4/30/1961	EE	8/1/2001
Beard	Patrick	5/16/2005	10/6/1975	EE	5/16/2005
Bradley	Ellene	4/29/1992	9/18/1972	EE	8/1/2001
Easter	James	7/15/2005	9/23/1986	EE	3/15/2006
Ging	Billy	2/19/1982	4/20/1957	EE	8/1/2001
Phillips	Travis	8/9/2007	1/20/1988	EE	8/15/2008
Pierson	Derek	8/1/2006	12/27/1977	EE	8/1/2006
Pierson	Derek	3/1/2001	12/27/1977	DR	11/1/2005
Pierson	Robert	3/1/2001	7/1/1942	EE	8/1/2001
White	Glynda	4/1/1970	7/20/1945	EE	8/1/2001
White	Jackie	7/26/1982	3/9/1957	EE	8/1/2001

Totals					11	0
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04549-00 - Prairie Grove Telephone Co.

Abshier	Deborah	1/1/1997	12/29/1962	EE	12/1/2003
Anderson	Sandra	6/4/2007	8/3/1968	EE	6/4/2007
Bell	Leslie	5/3/1999	7/15/1969	EE	12/1/2003
Birchfield	Tina	11/1/1990	11/29/1965	EE	12/1/2003
Boyd	Jerry	11/1/1993	12/9/1955	EE	12/1/2003
Catt	Linda	11/1/1991	10/3/1947	EE	12/1/2003
Chambliss	Jimmy	11/1/2005	11/13/1978	EE	11/1/2005
Clark	Jodie	4/1/2008	11/6/1984	EE	
Clark	Larry	1/3/1978	8/18/1955	EE	12/1/2003
Clayton	Frances	5/1/1980	12/4/1959	EE	12/1/2003
Conner	Lydia	4/23/2007	5/9/1984	EE	4/23/2007
Cruikshank	Kenneth	9/5/1977	5/25/1949	EE	12/1/2003

Curtis	Danny	7/1/1978	7/9/1947	EE	12/1/2003
Dougan	Dustin	3/1/2005	4/13/1981	EE	3/1/2005
Faddis	James	2/1/1967	8/15/1947	EE	12/1/2003
Gosser	David	1/1/1997	11/15/1945	EE	12/1/2003
Griffin	Scott	10/13/2008	9/23/1971	EE	10/15/2008
Hopkins	James	9/1/1957	1/9/1939	RR	
Hutchinson	Harold	8/2/1974	7/14/1943	RR	Terminated
Jones	Adam	8/1/1995	1/21/1972	EE	12/1/2003
Jones	Brenda	3/1/1992	7/3/1956	EE	12/1/2003
Kelley	Johnny	2/12/1973	6/3/1947	EE	12/1/2003
Lynch	Samuel	5/27/2008	3/1/1978	EE	6/17/2008
Morano	John	4/30/1984	2/17/1949	EE	12/1/2003
Munyon	John	1/20/1995	8/6/1968	EE	12/1/2003
Parks	Betty	10/1/2004	9/6/1931	RR	
Parks	David	1/1/1980	12/19/1954	EE	12/1/2003
Parks	Donald	1/1/1946	10/26/1919	RR	Terminated
Parks	Peggy	12/1/2006	11/12/1927	SS	
Parks-Gerv	Karen	1/1/2004	5/14/1965	DR	1/27/2004
Parks-Sper	Susan	5/22/1992	5/23/1962	DR	1/26/2004
Phillips	Ginger	12/20/1993	5/22/1956	EE	12/1/2003
Pierson	Justin	5/17/1999	7/29/1980	EE	12/1/2003
Prince	Penny	12/17/1984	7/12/1962	EE	12/1/2003
Rankin	Kathleen	8/1/1991	4/29/1951	EE	12/1/2003
Reaves	Chad	2/3/2003	1/23/1973	EE	12/1/2003
Reed	Dale	5/21/2001	4/25/1971	EE	12/1/2003
Reed	Tyrus	4/1/1986	3/13/1952	EE	12/1/2003
Roton	Donna	9/23/1999	5/7/1967	EE	1/1/2005
Rouse	Rhonda	11/1/1994	8/8/1970	EE	12/1/2003
Silva	John	11/12/2007	3/12/1970	EE	11/12/2007
Smith	Keith	4/15/1994	7/15/1969	EE	12/1/2003
Smith	Patrick	9/19/1988	3/31/1964	EE	12/1/2003
Smith	Porter	6/19/2006	4/16/1967	EE	6/26/2006
Starks	Howard	10/1/1995	7/8/1957	EE	12/1/2003
Taylor	Laurie	4/14/2008	6/19/1981	EE	4/14/2008
Turner	Dana	12/27/1995	4/24/1975	EE	12/1/2003
Uselton	Patrick	2/1/2007	9/30/1977	EE	2/1/2007

Totals					42	0
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04555-00 - Altus Water Department

Hall	Lester	10/23/2002	3/12/1963	EE	
Pruitt	Ralph	2/18/2005	3/18/1969	EE	
Ross	Gordon	9/15/1985	3/28/1943	RR	

Totals					0	0
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Grand Total					163	0
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